1935 · *Twenty-fifth Anniversary of the Social Security Act* · 1960

Social Security Bulletin

AUGUST 1960 VOLUME 23 NUMBER 8

Anniversary Issue

The Social Security Act: Its First Twenty-five Years

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE · Social Security Administration

THE SOCIAL SECURITY BULLETIN is the official monthly publication of the Social Security Administration. Calendar-year data for each year 1939–48 were published in the SOCIAL SECURITY YEARBOOKS and, beginning with data for 1949, in the ANNUAL STATISTICAL SUPPLEMENTS to the BULLETIN. (The SUPPLEMENTS with data for each year 1949–54 were included in the September BULLETIN, 1950–55; beginning with 1955 data, the SUPPLEMENT is a separate publication.) Statements in BULLETIN articles do not necessarily reflect official policies of the Social Security Administration.

The BULLETIN is prepared in the Division of Program Research, Office of the Commissioner, Social Security Administration, under the editorial supervision of Josephine Merican and Angela Murray, Associate Editors. Suggestions or comments concerning the BULLETIN should be addressed to the Division of Program Research. The BULLETIN is planned with the advice and aid of an editorial advisory committee representing the units of the Social Security Administration.

☆ ☆ ☆

The *Social Security Bulletin* is for sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Price: $2.75 a year in the United States, Canada, and Mexico; $3.50 in all other countries; single copies, 25 cents (special anniversary issue, August 1960, 55 cents). Price of the *1955 Supplement*, 40 cents; *1956 Supplement*, 45 cents; *1957 Supplement*, 50 cents; *1958 Supplement*, 50 cents.

Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (September 14, 1959).

Social Security Bulletin

AUGUST 1960

VOLUME 23

NUMBER 8

In this issue:

Past and Future Perspectives in Social Security

by WILLIAM L. MITCHELL
Commissioner of Social Security

A BRIEF QUARTER CENTURY ago, the Social Security Act formalized public recognition that the United States had passed from its agrarian, open-frontier beginnings to become predominantly urban and industrialized. The act revised and modernized American concepts of social responsibility for individual welfare in an industrial society. Characteristically American in its philosophy and provisions, the act is firmly rooted in our traditional principles of individual rights, freedoms, and responsibilities.

Inherent in the original deliberations leading to the basic Social Security Act and in experience since has been the concept of continuous, periodic reevaluation of the programs and of changing needs. The silver anniversary of the act presents a suitable occasion to look ahead against the perspective of past progress of social security in the United States.

Measures to promote what we now call social security have deep roots in our national life. From our earliest beginnings, mutual concern for people afflicted by poverty and other age-old social ills has found expression in public welfare measures. In a predominantly agrarian economy, however, most American families could work out their own security and were expected to do so.

As our Nation developed, towns and States gradually had to assume larger responsibility for public welfare measures for needy aged persons, widows, and orphans who could do little to maintain themselves and who required long-term support. Evidence of early concern with the integrity of the family unit were the laws for "mother's aid," which was usually a cash payment to mothers of children whose fathers had died, intended to make it possible to keep the remaining family members together. By 1935, nearly all States had such laws in operation in at least some local communities. By 1935 also, half the States had laws for aid to the blind and 30 had laws for "pensions" to needy old people.

During this same period, both the States and the Federal Government began to recognize that certain protections in our dynamic and increasingly industrialized economy could best be provided through social insurance. By 1930 all but four States had workmen's compensation laws, and longshoremen and harbor workers were protected under Federal legislation. By 1930, also, the Federal Government and many State

SOCIAL SECURITY TODAY AND TOMORROW

IT IS WITH pleasure as an individual, with pride as a citizen of the United States and with a sense of deep concern and responsibility as the head of the Federal agency that must provide the leadership in the sound future development of our programs of health, education, and welfare, that I salute the twenty-fifth anniversary of the Social Security Act.

Social security is today an accepted part of our culture and an essential bulwark for our economy. The social security programs of the Government have grown from their initial limited beginnings to a scope that, for the national old-age, survivors, and disability insurance system at least, approaches universal coverage. At the same time, there has been a proliferation of private employee-benefit plans and a great expansion of private insurance. The sources of individual charity have not dried up.

Much remains to be done. Now that the base is firmly established, we need to rethink and reformulate our social security goals for the future. Even to keep up with the social and economic changes that are clearly foreseeable will require a major effort. I am sure that we have both the material resources and the moral strength to achieve a full measure of security for the American people.

In the future, as in the past, I anticipate that our social security goals and programs will encompass individual, private group, and governmental action. I look forward to a continuing partnership of responsibility and of action.

Arthur S. Flemming

Secretary of Health, Education, and Welfare

and local governments had adopted retirement programs for their employees. Nevertheless, aid to the needy provided from local funds by villages, towns, and counties was the primary form of public income-maintenance.

THE FIRST TWENTY-FIVE YEARS

The Social Security Act recognized the national interest in and the national scope of the problem of income security. In the midst of immediate need of devastating proportions it established programs to prevent future dependency. The social insurance programs started in 1935 have since proven their value in periods of economic prosperity as well as temporary economic downturn.

The principal responsibility for public assistance for needy persons and for health and welfare services manifested in the Federal grants to the States under the Social Security Act has also become firmly established.

In the years since 1935, the programs established by the act have been expanded and new programs added. Old-age insurance has become old-age, survivors, and disability insurance, and its coverage extended to almost the entire working population. Benefits have been increased not only to adjust to the changed value of the dollar but also to reflect in part the rising level of living for the population as a whole.

The Federal Government now shares with the States in the cost of aid to the permanently and totally disabled as well as old-age assistance, aid to dependent children, and aid to the blind. The Federal share has been increased over the years, and the Federal Government now helps proportionately more those States where need is greatest and income and fiscal ability least. Payment for medical care through public assistance has been made easier by the provision for Federal matching of direct payments to the vendors of service.

The programs for maternal and child health services and crippled children's services have expanded in scope. Both in these and in the child welfare services program, Federal financial support and Federal leadership have served to stimulate State and local action.

While all the programs have thus reflected changing needs and changing concepts of what is feasible and desirable, certain basic principles have not changed. We continue to regard the individual as himself responsible for doing what he can towards his security and that of his family. We recognize the great value, in our widespread and diverse society, of initiative and action by private organizations and by local communities. We also know that there are problems and needs that transcend local boundaries and require Federal leadership and action.

In our total social security system, primary reliance and emphasis have been placed on the contributory earnings-related programs—old-age, survivors, and disability insurance and unemployment insurance—as the basic source of protection, for almost all working Americans, against commonly shared risks to income. Under both of these programs, Americans earn their security as they earn their living, and benefits paid are varied—within limits—with the individual's customary level of living and his economic contribution to society as measured by his earnings. Because benefits under old-age, survivors, and disability insurance and unemployment insurance are payable when due no matter what other income the individual may have, the social insurance programs have served to encourage other means of protection, through private employee-benefit plans and individual action.

No preventive measures can ever anticipate all problems and all need. An essential part of our social security system is therefore a flexible program of public assistance. Assistance can seek to rehabilitate and to prevent the handing on of poverty and dependency to successive generations.

From the beginning, the Social Security Act has provided encouragement and support for health and welfare services. Explicit recognition of the importance of services to promote self-help and restore the independence of persons receiving public assistance was written into the Federal act in 1956.

In large measure, the questions, how fares American society? and how fares the American family? are inextricably linked. Our society functions basically through the family, and much of our organized activity is directed toward supplementing family functions. Subsequent amendments in all the programs have had as their purpose better protection and broadened

service to families. Among such changes have been the recognition of additional situations in which survivor benefits are now payable to children under old-age, survivors, and disability insurance, the provision of dependent's benefits in the unemployment insurance laws of a number of States, the broadening of the group of adults with whom children may live and receive help under the program of aid to dependent children, and increased emphasis on services to children in their own homes under the child welfare service programs.

In the past 25 years, then, the United States has established the foundations and principles of its social security system. The specific directions taken and the progress made are discussed in more detail in subsequent articles in this BULLETIN. What of the future? What is there yet to be done or to be done better, more completely, or even differently?

CHALLENGES OF THE FUTURE

We should expect and look forward to further changes in all the social security programs, both to remedy the gaps and inadequacies that are evident today and to reflect new circumstances and new goals. Possible changes in specific programs are suggested in other articles in this issue.

The general direction of future progress may perhaps be summarized in two broad goals: (1) to move toward assuring, for all Americans, an economic well-being that is more than minimum economic security; and (2) to bring increased understanding and service to the noneconomic needs of man.

Economic Well-Being for All

The American people, generally, enjoy one of the highest material standards of living in the world today. But the prevailing prosperity is still too unevenly shared for the best interests of individual and national welfare. Inadequate income is still all too prevalent in the United States. Social insurance programs in themselves cannot correct for low income that is due to lack of opportunity and low wage levels, or that occurs because a whole region or area is economically distressed or underdeveloped. Indeed, the programs can only reflect such conditions in limited coverage and low benefits. Similarly, public assistance cannot feasibly or properly be used as a major support of the economy of any region or State, as it would be in the lowest-income States if under present economic conditions the assistance standards were raised to adequate levels and assistance programs met full need.

Action to correct conditions leading to widespread poverty in specific areas or regions and among specific groups of the population must be taken outside the social security system in broad corrective social and economic programs designed to get at the underlying conditions and causes.

At the same time, the Nation must also move toward economic well-being for all on a second front: to ensure that coverage under the social security programs is complete and effective and that payments under the programs are adequate and equitable and that they are kept consistent with changing standards and concepts of American living.

Improving coverage.—Present gaps in coverage are indicated, by program, in subsequent articles. The gaps should be closed so that the maximum number of persons are protected under social insurance against all insurable risks and so that all needy persons can receive public assistance regardless of the reason for their need or where they may live.

Adequacy of payments.—Adequacy has at least three meanings for the social security programs: sufficiency to replace wage loss, to meet need, and to keep pace with the economy. In the first meaning of the word, benefits under the social insurance programs may be considered adequate if they are reasonably related to an individual's previous earnings. Up to now, however, the Nation has not really faced up to deciding what relationship is reasonable in a dynamic economy.

In the short-term benefit programs, dollar maximums on weekly benefit amounts have not been increased as rapidly as wages have risen. As a result, a large proportion of beneficiaries under unemployment insurance and workmen's compensation are getting little more than one-third of their previous earnings. Since most

workers' incomes do not permit accumulation of sizable reserves, failure of the benefits satisfactorily to replace wage loss raises serious questions as to how effectively the programs serve their avowed purposes.

In old-age, survivors, and disability insurance, the limit on the taxable wage base also sets a maximum on benefit amounts. In addition, over the long run, benefit amounts will be based on a lifetime average of earnings in covered work. During the recent past, benefits awarded have generally been based on fairly current wage levels. The longer the system is in effect, however, the more seriously will consideration have to be given to what is meant by a worker's lifetime earnings level.

In its second meaning, adequacy is defined in terms of sufficiency to meet need for income under current American living standards. In this sense, the issue of adequacy relates primarily to the average level of social insurance benefits and public assistance standards.

Benefits paid under old-age, survivors, and disability insurance have always been intended to provide only a floor on which additional protection can be built, not to meet full need among beneficiaries who have no other income. Many of those receiving the lowest social insurance benefits, however, have little or no other income. What they receive in many cases fails to meet their needs, even as measured by relatively low assistance standards. This is why many aged beneficiaries and some families with children receive supplementary public assistance payments. Surveys of income among beneficiaries reveal that others have equally small incomes but for one reason or another do not receive public assistance.

Social insurance can and should diminish need for public assistance, but it cannot eliminate it. Indeed, to a significant degree, the very integrity of the social insurance system may depend on the extent to which public assistance is available and adequate to provide for the uninsured and those whose work histories and earnings do not permit substantial savings or cannot yield anything but minimum benefits. If the Nation can come to accept the necessary and valuable role played by public assistance in achieving social security, the programs may attain their true stature and receive the public support they deserve and need.

The recent report of the Advisory Council on Public Assistance signalized the beginning of a new phase in attention to adequacy of public assistance. The Council recommends that the Federal Government provide financial aid to States for assistance to all needy persons, that Federal grants take full account of differences in income levels among the States, and that steps be taken to raise the levels of both maintenance and medical care provided through public assistance and to ensure equity of assistance among needy groups. These recommended changes represent the thinking of many responsible people. They point the way for future consideration and action. They make clear that adequacy in public assistance is a goal, not an accomplished fact.

Improving incentives to personal initiative.—Is it time, also, to consider more carefully ways in which the provisions of the social security programs may encourage individuals and families themselves to try to increase their incomes? For example, is the retirement test under old-age, survivors, and disability insurance really a deterrent to work? Should the test be modified? Should an earnings exemption for public assistance be reconsidered?

Undoubtedly, incentives to employment can lead to constructive results for families and individuals. Many aged persons still have valuable contributions to make in employment. For the handicapped, employment is a symbol of triumph over their disabilities. For children in dependent families, an opportunity to earn and manage money can build attitudes and capacity for independence that give better preparation for adult responsibilities than most of their parents had.

On the other hand, some knotty questions present themselves here—especially for the assistance programs. One question is how to achieve a balance between incentives to employment and equity of assistance provided for persons with earnings and without. Safeguards would be needed also, against degrading a constructive *incentive* to work to a restrictive and damaging *requirement* to work. In large part, the answers to these questions go back again to those of how to achieve adequate assistance programs. Inequities in total income available between the needy who work and those who do not would be unimportant if both groups were assured at least minimum adequate income.

Keeping up with a changing economy and culture.—While all the programs need to be periodically reevaluated in relation to changing need, most of them by their nature deal with current situations. A somewhat different problem occurs for the long-term benefits under old-age, survivors, and disability insurance.

The man or woman who retires today may still be living—and primarily on his social insurance benefit—10, 20, or even 30 years hence. What should he have year by year in relation to what the rest of the population has? Probably, everyone would agree that if inflation continues his benefits should be raised to retain their original purchasing power value. During the period of his retirement, however, the average level of living in the United States undoubtedly will rise. Economists foresee a rise in real per capita income of at least 25 percent in the sixties. Should retired and survivor beneficiaries share in the rise? If so, by what amount? The question cannot be avoided since inaction, in itself, is also a reply. The better answer would be a considered one.

Decisions on the share of an increased national output that should go to social insurance beneficiaries will undoubtedly be influenced by the extent to which beneficiaries have other sources of income, the circumstances under which they can get medical care, and the availability of other special services for their needs. Beyond that, their resources and needs will have to be weighed against those of other groups and against the Nation's obligations to people in other parts of the world. Goals and concepts of what is appropriate and feasible must be as dynamic as the social situation demands. Should such goals and concepts be made an integral part of the program through automatic devices for benefit increases? Or should reliance be placed on periodic amendments to keep the program up to date?

Some nine Nations have written provisions into their laws to take account of the general level of earnings at the time the beneficiary retires in computing his first benefit and to relate subsequent benefit amounts to changes in a price index or a more general indicator of economic change. The possibility of adapting such measures to the American system should be studied and weighed against other approaches for value and feasibility.

Increased Understanding and Service for Human Needs

In the movement and change that are characteristic of present American life and that are to be expected in the future, some difficult social consequences develop. The positive changes that have occurred to give women and children greater freedom and independence as individuals as well as increased stature as family members, for example, undoubtedly also have their negative effects. The Nation needs now to turn more of its attention to the noneconomic, nonmaterial aspects and values of our culture and to plan more carefully to avoid haphazard social consequences of material progress and change.

The needs that will emerge from such consideration will require broader action than can be supplied within the social security programs alone. Personal and family problems are often—and sometimes sensationally—deplored and disapproved, but the community as a whole does not sufficiently realize or accept its shared responsibility for them. Currently, it is fashionable to assign responsibility to the social welfare programs, particularly public assistance, as both the cause and cure of widespread disaffections and deviations from accepted social behavior. Any examination of the problems that cause concern, however, indicates that they extend beyond the groups with lowest income—those generally known to social welfare agencies. The underlying factors must be sought and dealt with more broadly than can be done effectively within the programs alone.

To make progress in meeting the social and psychological needs of man our Nation must devote more of its effort and wealth to acquiring greater knowledge about these needs. We must mobilize the various strengths and skills throughout society that can help in meeting them—in the churches, in the schools, in voluntary groups, and in public agencies. Real progress will be made only as the needs of man come to be understood well enough that social problems can be predicted and thus controlled and prevented. The knowledge must come from painstaking research—both "pure" and applied—conducted scientifically. The skills necessary to meet needs will come from training based on knowledge. While a large part of progress in skill must wait for increased knowledge, the Nation needs also to give better

support in using the skills already available. This support will come only with the recognition of community responsibility.

CONCLUSION

The contribution the social security programs make to the Nation has required increasing expenditures over the years. Even if nothing more were done than to carry forward present services, future expenditures would have to rise to meet the needs of an increasing population, particularly among children and older people. To meet new challenges will cost more. The need for these expenditures must be evaluated in relation both to available resources and other community obligations. In this evaluation, however, the following two considerations should influence the decisions made. While the numbers needing community services and the types of services required are increasing, so also are the average productivity of the American worker and the number in the labor force. Beyond this, the long-run, if not the immediate, price of neglecting human needs usually is considerably higher than the cost of meeting them as they occur.

If the Nation accepts and meets the challenges the future presents, the next 25 years will see progress in social security comparable to the progress of the past 25 years in basic economic security.

Social Security Status of the American People

by IDA C. MERRIAM*

THE SOCIAL SECURITY Act of 1935 established or provided for Federal financial participation in programs in seven major areas. Other articles in this issue describe what has happened during the intervening 25 years in the national old-age—now old-age, survivors, and disability—insurance program, in the Federal-State unemployment insurance programs, and in the federally aided public assistance and maternal and child health and child welfare programs. The provisions for Federal grants to the States for public health activities, which laid the basis for modern public health programs in the United States, were subsequently removed from the Social Security Act and incorporated in the basic Public Health Act of 1944. The original Social Security Act also increased substantially the amounts authorized for grants to the States for vocational rehabilitation programs under a 1920 act and placed them on a permanent basis.

The concept of social security that was reflected in the original Social Security Act and that has helped shape the programs that we have today was broader than any specific measures. Essentially it was an idea and a goal. It accepted as a legitimate concern of the Federal Government the economic security and the social welfare of all the American people. At the same time, it recognized and asserted that these ends could best be achieved through a diversity of programs and methods. The individual (both as consumer and as citizen), private groups and agencies, and local, State, and Federal Governments all had a part to play. This article attempts to sketch briefly the part each has played in this first 25 years and to assess the overall social security status of the American people at the beginning of the 1960's.

*Director, Division of Program Research, Office of the Commissioner.

THE ECONOMIC AND SOCIAL CLIMATE

The past 25 years have seen more rapid and far-reaching social and economic change than any other quarter century in our history. From an

economic depression that left more than one-fifth of the total labor force without work, the country moved to the tremendous expansion of the economy during a worldwide war and the continuing pressures of an uneasy peace. The rate of scientific and technological progress has been so rapid in the past 10 or 15 years that the problem of communication and understanding threatens to overwhelm scientist and citizen alike, and communities across the land are struggling to keep up with, let alone keep ahead of, growth, movement and change. During this quarter of a century:

Total population has grown from 127½ million in 1935 to about 180 million in 1960, with an increasing proportion composed of persons in the usually nonproductive ages—the young (under age 18) and the old (aged 65 and over) (table 1). The change in age composition reflects both the rise in birth rates since World War II, in contrast to depression lows, and the steady increase in life expectancy.

The labor force has increased by about one-third, proportionately more than the population in the usually productive ages, as women have moved into employment in large numbers. At the same time the proportion of the civilian labor force unemployed dropped from 21.7 percent in 1934 to 5.5 percent in 1959. Farmers and other agricultural workers dropped from 22 percent to 9 percent of total civilian employment (table 1).

The gross value of goods and services produced in 1959 ($480 billion) was more than seven times the 1934 figure ($65 billion), or more than twice as much per person even after taking account of the rise in prices.

With increased productivity, real income per worker climbed also: Average weekly earnings in manufacturing, for example, in 1959 were five times what they had been 25 years before, while consumer prices were but 2⅙ times as high.

More and more American families have acquired a personal share in the Nation's wealth: 6 out of 7 families now own some life insurance, 3 out of 5 nonfarm families own the house they live in, and 3 out of 4 farmers own their farm in whole or in part.

TABLE 1.—*Estimates of the total population, by age, and of persons aged 14 and over, by labor-force status, selected years, 1934–60*

[In thousands; continental United States]

Age and labor-force status	Population, January 1—					
	1935	1940	1945	1950	1955	1960 [1]
Total [2]	127,512	132,445	140,068	151,355	164,759	180,048
Under age 18 [2]	42,386	41,367	42,207	47,295	55,579	65,134
Under age 5 [2]	10,950	11,383	13,602	16,801	18,902	20,851
Aged 18–64	77,433	82,180	87,541	91,956	95,296	99,324
Aged 65 and over	7,693	8,898	10,320	12,104	13,884	15,590
	Labor force [3] (monthly average)					
	1934	1939	1944	1949	1954	1959
Civilian labor force	52,230	55,230	54,630	62,105	64,468	69,394
Employed in agriculture	9,900	9,610	8,950	8,017	6,495	5,836
Employed in nonagricultural industries	30,990	36,140	45,010	50,406	54,395	59,745
Unemployed	11,340	9,480	670	3,682	3,578	3,813
Armed Forces	260	370	11,410	1,616	3,350	2,552
Not in labor force [3]	41,590	44,610	38,590	46,052	48,401	51,420
Unemployment rate [4]	21.7	17.2	1.2	5.9	5.6	5.5

[1] Includes Alaska and Hawaii.

[2] Adjusted for net underenumeration and misreporting of age of children under age 5.

[3] Noninstitutional population aged 14 and over. The Bureau of the Census definition of employment and unemployment shown for 1949 and later years is not strictly comparable with that for earlier years; the combined total of the groups changing classification has averaged about 200,000–300,000 a month in recent years.

[4] Percent of civilian labor force unemployed.

Source: Bureau of the Census for population data and the Council of Economic Advisers, *Economic Report of the President, January 1960* (table D–17), for labor-force data.

INCOME SECURITY

Rising levels of living, together with the increased mobility of the population, have given new importance to programs and arrangements that assure a continuing flow of money income to individuals and families during periods when earned income is interrupted or inadequate. The income-maintenance programs that are basic to social security have filled in a large part of the area where they are needed, although some gaps still remain.

Expenditures under public income-maintenance programs exceeded $26 billion in the fiscal year 1959-60, or 7.6 percent of total disposable personal income. More significant than the sevenfold increase in dollars since 1934–35 is the shift from public assistance (or other public aid for needy persons) to social insurance as the mainstay of support (table 2 and chart 1).

There has also been, during this period and particularly since 1945, a rapid growth in private employee-benefit plans providing retirement pensions, life insurance, and unemployment benefits supplementing the public programs as well as health insurance and temporary disability insurance. In 1959–60, private employee-benefit plans paid out $3.4 billion in retirement and other income-maintenance benefits and between $3.5 and $4.0 billion for health insurance. The more than $11 billion in contributions to employee-benefit plans in 1959–60 represented 4 percent of total wages and salaries.

The degree of income security that Americans now have can be measured in relation to the extent of program coverage, the income loss

compensated, and the resulting level of income support provided.

Broader Protection

Almost all Americans today have one or more sources of public, mutual, or private insurance protection against the risks of old age, death of a breadwinner, and long-term disability. The large majority also have protection against loss of income from unemployment and from work-related injury and disability. A significant proportion are insured against income loss from temporary illness and disablement.

These gains are exemplified by the sharp rise since 1939 in the proportion of civilian workers who have protection under retirement and unemployment insurance programs, as shown in chart 2.

Unemployment.—At the end of 1959, four-fifths of all civilian wage and salary workers were covered by unemployment insurance, under State programs and programs for railroad workers or Federal employees, compared with about two-thirds at the end of 1939. (Self-employed persons—a declining number—are not covered in either period.) Some of those brought under unemployment insurance since 1939 are Federal Government employees, both civilian and military, and workers in firms with four to seven employees, first covered by amendment to the Federal act in 1954. Others are employees in smaller firms in the 24 States that now have more liberal coverage provisions than the Federal act requires. Still excluded from the Federal act are agricultural workers, domestic servants, and employees of nonprofit institutions, as well as employees of private firms with fewer than four employees.

Supplemental unemployment insurance benefit plans were negotiated under collective-bargaining agreements in the automobile industry in 1955 and soon thereafter in the steel, rubber, and other industries, to ensure more adequate payments for unemployed workers than those provided by the public system. It is estimated that almost 2 million workers are now covered by such plans.

TABLE 2.—*Public income-maintenance program expenditures and individuals receiving payments, selected fiscal years and end of calendar years, 1934 to 1960*

Program	Annual (fiscal year) expenditures [1] (in millions)						
	1934–35	1939–40	1944–45	1949–50	1954–55	1958–59	1959–60 (projection)
Total expenditures	$3,706.7	$5,172.2	$3,027.2	$9,148.8	$15,204.8	$25,074.4	$26,147.0
Social insurance and related programs	709.1	1,574.1	1,997.5	6,660.0	12,265.2	21,185.7	22,108.0
Old-age, survivors, and disability insurance	----------	28.1	266.8	784.1	4,436.3	9,615.9	11,100.0
Railroad retirement	----------	115.7	143.7	304.4	575.6	777.6	934.0
Public employee retirement	210.0	254.5	382.8	743.2	1,388.5	2,297.8	2,588.0
Unemployment insurance and employment service	----------	570.6	166.1	2,201.4	2,272.6	3,918.1	2,746.0
Veterans' pensions and compensation	390.2	447.8	755.9	2,092.8	2,712.3	3,325.6	3,351.0
Workmen's compensation: net of medical	108.9	157.4	277.1	433.2	627.5	840.0	935.0
Temporary disability insurance: net of medical [2]	----------	----------	5.1	100.9	252.4	410.7	454.0
Public aid	2,997.6	3,598.1	1,029.7	2,488.8	2,939.6	3,888.7	4,039.0
Public assistance, special types	102.4	629.8	923.4	2,125.6	2,609.7	3,399.8	3,534.0
General assistance	521.6	493.9	104.6	363.3	329.9	488.9	505.0
Work programs (including FERA)	2,373.6	2,474.4	1.7	----------	----------	----------	----------
	Individuals receiving payments,[3] December (in thousands)						
	1934	1939	1944	1949	1954	1958	1959
Social insurance and related programs:							
Old-age, survivors, and disability insurance	----------	----------	955	2,743	6,887	12,430	13,704
Railroad retirement	----------	139	168	370	586	722	769
Public employee retirement	197	269	343	589	899	1,286	1,387
Unemployment insurance and employment service	----------	695	94	2,121	1,586	1,898	1,714
Veterans' pensions and compensation	914	925	1,329	3,314	3,759	4,092	4,194
Public aid:							
Public assistance, special types	519	2,739	2,774	4,350	5,065	5,740	5,807
General assistance	(4)	4,675	260	562	351	434	399
Work programs (including FERA)	1,122	3,344	----------	----------	----------	----------	----------

[1] Payments to individuals and administrative expenditures. Administrative expenditures under State workmen's compensation laws not included for years before 1950.

[2] Programs in Rhode Island, California, New Jersey, and New York and or railroad workers. Includes payments under private plans written in compliance with State laws.

[3] Data not available on number of beneficiaries under workmen's compensation and temporary disability insurance.

[4] Not available.

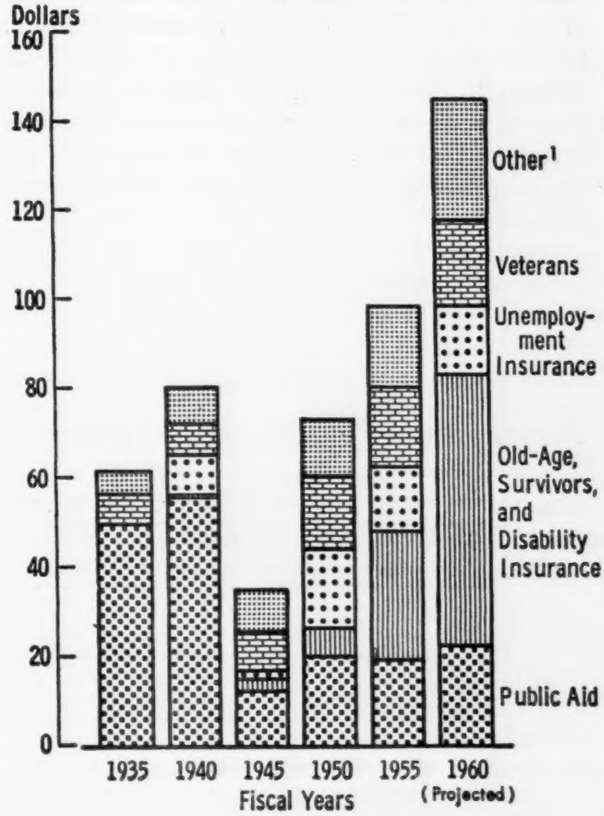
Retirement or death of earner.—In 1939, the old-age and survivors insurance program covered only employees in industry and commerce, and barely half of all government employees were under staff retirement systems. In consequence, 38 percent of all persons who worked in paid employment were without protection against loss of earnings in retirement. Now only 7 percent of all those in paid civilian employment are without such protection. This growth reflects largely the extension of the basic Federal program to the self-employed, to farm workers, domestics, and certain other employees in the series of amendments passed since 1950. All persons in military service now have regular coverage under old-age, survivors, and disability insurance and railroad workers now have some protection under this program as well as their own. Of the 5 million workers still without protection, by far the majority lack it because they do not earn enough from self-employment, farm work, or domestic work for coverage. Some are doctors of medicine not yet covered under the law or employees of nonprofit institutions who have voluntarily not elected coverage.

The past quarter of a century has seen a remarkable growth also in the number of workers covered by private pension and deferred profit-sharing plans—from about 2½ million in late 1935 and less than 4 million in 1939 to more than 19 million today. Many workers' families also have protection, in case of the breadwinner's death, under private group plans that supplement the survivorship protection of the public programs. Some 40 million wage and salary workers in public as well as private employment are now covered by group life insurance or death benefit plans.

Disability.—Public programs providing a source of income to individuals with prolonged disabilities have expanded rapidly, especially since the end of World War II. In 1934, protection through public provisions was confined to workmen's compensation laws, programs for veterans, the Armed Forces, and civilian government employees and in about half the States to special assistance programs for the blind.

Except for the railroad retirement program and the provisions in the original Social Security Act for Federal grants for aid to the blind, no

CHART 1.—*Income-maintenance programs: Expenditures per capita (in 1959 dollars), 1935–60*



[1] Railroad and public employee retirement programs, workmen's compensation, and temporary disability insurance.

special public income-maintenance programs for the long-term disabled were enacted during the next 15 years.

The decade of the 1950's saw two new income-maintenance programs for the long-term disabled added to the Social Security Act. The first, in 1950, was a program of Federal grants to the States for aid to the permanently and totally disabled.

The second program, enacted in 1956, provided for the payment of benefits under the Federal old-age, survivors, and disability insurance program to severely disabled workers aged 50–64 and also to adult disabled children (if disabled before age 18) of deceased and retired workers. In 1958 the act was further amended to provide benefits for dependents of disabled workers similar to those already provided for dependents of workers retired because of age.

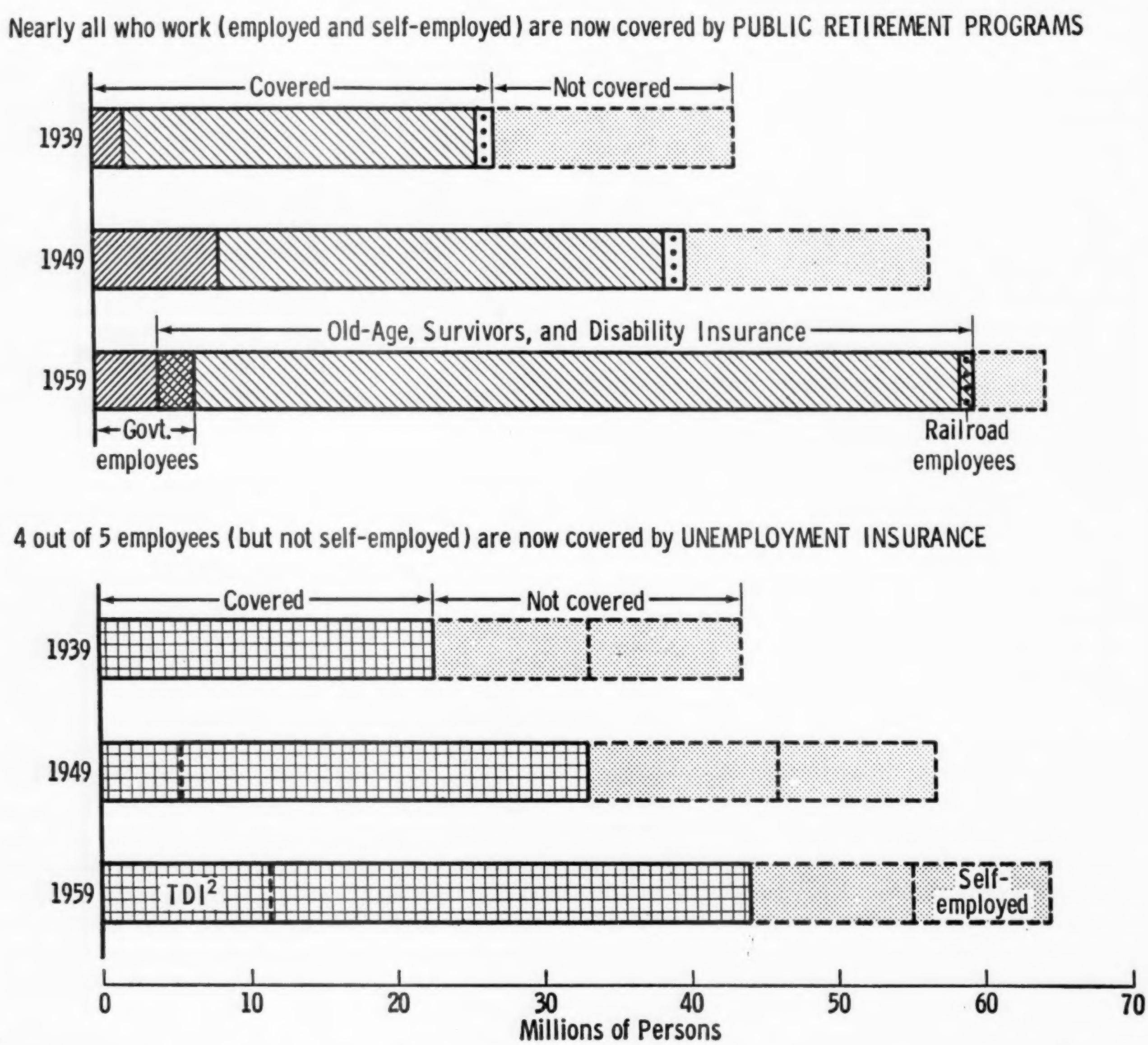
Private provisions against the risk of extended disability have also expanded in recent years, es-

pecially in connection with private pension plans under collective bargaining. About three-fourths of the 19 million employees covered by private pension plans at the beginning of 1959 are estimated to have through the plans some protection in case of total and permanent disability before normal retirement age. In 1934 such provisions probably covered less than 1 million wage earners.

Provisions for a substitute income for workers in case of short-term illness have been developed through a combination of public and private programs. During the 1940's, legislation providing temporary disability insurance benefits was enacted in four States and for workers in the railroad industry. Similar protection for workers in other States has been extended through the growth of voluntary disability insurance and other types of employee-benefit plans sponsored by employers or established through collective-bargaining agreements.

In 1959 it is estimated that about three-fifths

CHART 2.—*Estimated coverage under social insurance programs, 1939, 1949, and 1959* [1]



[1] Monthly averages for 1939 and 1949; December data for 1959.

[2] Temporary disability insurance; all those covered by this program are also covered by unemployment insurance.

of the Nation's private wage and salary labor force had some protection against loss of earnings caused by short-term disability through these various public and private arrangements. In 1934, the proportion covered was estimated to be less than one-fifth.

More Receive Income Maintenance

The aged.—The start of the 1960's found three-fourths of the Nation's 15.7 million aged—almost 12 million persons—drawing benefits under at least one social insurance or related program. The old-age, survivors, and disability insurance system alone provided income for more than 10 million, or 64 percent, of those aged 65 and over. Another 1 million aged workers—of whom some 300,000 were married men with aged wives—were fully insured under the program and could receive benefits as soon as they retired.

The compensation and pension programs for veterans and their survivors were next in importance, with an estimated 9 percent (counting wives of veterans on the rolls) receiving payments. Programs for government employees and railroad workers together provided support for about 1.5 million aged persons. It is estimated that more than half of those receiving a payment because of the disability or death of a veteran were also receiving a benefit because of the retirement or death of a worker in industry or government employment.

More than 6 percent of the persons receiving social insurance benefits were also on the public assistance rolls because their benefits plus any other resources did not meet their needs, according to the standards set by their State of residence.

About 1.7 million persons aged 65 and over, or 11 percent of the Nation's aged population, were still primarily dependent on public assistance in December 1959. In addition, an estimated 1.1 million, or 7 percent, had no money income from employment or any public income-maintenance program. Predominantly women who had been widowed before their husbands were covered under old-age, survivors, and disability insurance, they included some very wealthy individuals, but many more were dependent on and lived with children or other relatives, and some were being maintained in public institutions.

In all, almost 7 in 8 of the 15.7 million aged persons in our population at the end of 1959 had income from social insurance and related programs and/or public assistance. This is in startling contrast to the situation at the end of 1934 when little more than 10 percent of all persons aged 65 and over had income from such sources and about half, it is estimated, were mainly or wholly dependent on relatives or friends for their support.

The number of persons receiving pensions under private benefit plans has also expanded at an impressive rate. At the end of 1959, there were probably about 1½ million beneficiaries in all, of whom more than 1¼ million were aged 65 and over. In the mid-1930's, there were no more than 150,000 or 200,000 private pensioners, many of whom were under plans operated by the railroads and later transferred to the rolls of the federally operated retirement program for railroad employees.

The lowering of the eligibility age for women from 65 to 62 years under old-age, survivors, and disability insurance effective in November 1956 represented a further gain in economic security for aged persons, not reflected in the figures summarized above. By the end of 1959 a total of more than 850,000, or nearly two-fifths of the women in this age group, were drawing benefits, and at least a half million were estimated to be eligible on retirement. (As provided under the 1956 amendments to the Social Security Act, the retired workers and wives in this group received benefits that were actuarially reduced for each month before attainment of age 65.) Other women approaching age 65 are eligible for payments under programs for railroad or government employees, and considerable numbers receive pensions or compensation as wives or mothers of deceased veterans.

The disabled.—On an average day in 1959, about 9 million persons of all ages were disabled—unable to work, attend school, keep house, or follow their other customary or usual activities because of an illness or injury. More than 5 million of these persons had been limited for more than 6 months in their ability to carry on their major activity because of a chronic illness or impairment—the "long-term disabled." Many millions of others with chronic conditions were par

tially limited in the amount or kind of activity that they could pursue.

Of the persons with long-term disabilities, an estimated 3.1 million were between the ages of 14 and 65 in December 1959. About 1.3 million, or 42 percent, of them were receiving cash benefits or payments from social insurance or veterans' programs. A quarter of a century ago only some 230,000 persons or a little more than 10 percent of the Nation's long-term disabled aged 14–64 were receiving cash payments from public programs.

Programs under the Social Security Act are now providing the major share of income maintenance for the long-term disabled under age 65. In December 1959 there were 415,000 disability beneficiaries under the old-age, survivors, and disability insurance program and 400,000 recipients of assistance under the Federal-State aid to the blind and aid to the permanently and totally disabled programs. The veterans' programs were next in importance, paying pensions or compensation to 330,000 veterans under age 65 with ratings of 70-percent disability or more. The remaining programs—workmen's compensation, government employees' retirement systems, and the railroad retirement system—accounted for about 290,000 recipients.

Until the payment of disability benefits under the old-age, survivors, and disability insurance program in 1957, the veterans' compensation and pension programs were responsible for the largest group of disability beneficiaries. As late as 1949 the veterans' programs accounted for more than half the persons with long-term disabilities receiving support from public income-maintenance programs—a proportion that dropped to about 40 percent in the years immediately following the passage of the public assistance program of aid to the permanently and totally disabled.

The child.—The economic well-being of children is contingent on the ability of their parents to provide for them. Programs that provide for wage replacement not only when the breadwinner is no longer in the home but also in case of his unemployment, disability, or retirement are therefore of importance for children. The extent to which these programs make explicit provision for dependents has a considerable impact.

Although the traditional role of the father as sole supporter for the family has given way somewhat as married women have moved into the labor force in growing numbers, our public income-maintenance programs recognize his contribution more fully than the mother's. To be sure, 7 out of every 8 children in the United States have their home with two parents, according to Bureau of the Census data for March 1959, and a small number of others live with the father only. Almost 1 in 11, however, have only their mother. There are less than 3 percent in all that share a home with other relatives, are in foster care, lodge with nonrelatives, or live alone.

More than 90 percent of all married men, perhaps 95 percent of those (under age 60) most likely to have children, are in the labor force. Some of them, however, are unemployed from time to time, and others are unable to work. More than half of the women who are widowed, divorced, or separated and have children in their care are in the labor force, but many of them only intermittently because they are marginal workers or because of home demands.

The unemployment insurance programs provide dependents' allowances in only 12 States, which account for about one-fourth of all workers covered by State unemployment insurance programs. Data for new beneficiaries in July–September 1959 indicate that about one-third were entitled to allowances for a total of about 230,000 dependent children.

Under the social insurance provisions of the original Social Security Act, children had no protection. But the first amendments, in 1939, provided for benefit payments to dependents of those retiring and to surviving children of deceased workers, and the 1958 amendments extended this protection to the children of disabled workers. By the end of 1959, the number of children under age 18 on the rolls had mounted to 1¾ million, including about 200,000 children of aged retired workers, almost 80,000 children of disabled workers, more than 1.4 million children whose fathers had died, and 64,000 whose mothers had died. In 1950 the Social Security Act was amended to provide for payment of benefits to children of a working mother who died, even if the father was in the home and providing support.

The Railroad Retirement Act makes similar provision for children, but the numbers involved

are small, with only 38,000 children under age 18 on their benefit rolls at the end of 1959. Programs for government employees characteristically provide no allowance for children of workers who retire, whether for age or disability, and the estimated number of children drawing survivor benefits is not a great deal larger than under the railroad programs because single women are relatively numerous among government employees.

Children of veterans, on the other hand, benefit in substantial numbers under the compensation and pension programs. Close to 300,000 were drawing payments as survivors of deceased veterans and more than 425,000 because their fathers were 50 percent or more disabled and therefore entitled to extra compensation for children up to three in number. The Veterans' Pension Act of 1959 provides that effective July 1, 1960, additional monthly amounts are payable for dependents of veterans receiving pensions and sets up a sliding scale of benefits related to financial need and resources both for veterans and for their survivors.

In all there were about 2½ million children who received direct benefits under social insurance or veterans' programs late in 1959. Another 3⅓ million children in families receiving veterans' payments or unemployment insurance may have had some of their needs met by payments to a parent, but they did not receive any direct payments. The assistance programs provided aid for about 2¾ million children—2¼ million under the Federal-State program of aid to dependent children and the other half million under the State-local general assistance program.

Of the 2.1 million fatherless children, about three-fourths were receiving income from one or more such sources at the end of 1959. Old-age, survivors, and disability insurance alone provided some support for close to two-thirds of them. This is in sharp contrast to the situation before passage of the Social Security Act, when there were about 280,000 children in families receiving aid to needy children under State-local laws. Although most of these children were orphans, they made up only a small fraction of the 2.8 million fatherless children in the population at that time.

The program of aid to dependent children was designed to provide aid for children in need not only because of the father's death but also in case of his incapacity or his absence from the home. Today the program, with nearly 2.3 million children and almost 700,000 adults responsible for their care on the rolls, is heavily weighted with the socially orphaned. Children in need because of risks that have been considered uninsurable—divorce, separation, desertion, and illegitimacy—accounted for about 56 percent of those on the rolls in late 1958, according to a special survey. Just over one-fourth were on the rolls because of the father's incapacity. Only 1 in 10 were needy because of the father's death, and about two-fifths of these children were social insurance beneficiaries, but their benefits did not meet their needs under State standards of assistance.

TRENDS IN LEVELS OF INCOME SUPPORT

Real per capita income—that is, our total output of goods and services averaged over the entire population—has more than doubled in the 25 years since the Social Security Act was passed. The general level of income support under the social security programs has also increased though not as much as the gains for the population as a whole.

Changes in Social Insurance Payments

It has been accepted from the beginning that the social insurance programs should provide a floor of protection only, leaving room for additional protection through private employee-benefit plans and private savings. Ideas as to what constitutes a floor, however, like ideas as to what is the minimum socially acceptable family budget, tend to change over time as well as to vary among different groups.

The unemployment insurance programs were originally designed to pay benefits amounting to about half of what the worker had been earning. Under the 1939 amendments, old-age and survivors insurance benefits for a retired worker were to range from 40 percent for the lowest-paid workers to 16 percent for the highest-paid workers at the outset and from 60 percent to 24 percent eventually. The 1950 amendments eliminated an increment for years of service and pro-

vided retirement benefits of from 50 percent to about 27 percent of the worker's previous earnings.

Rising wage levels have meant higher average benefits under both social insurance programs. Furthermore, Congress has acted to revise from time to time the benefits of persons on the old-age, survivors, and disability insurance rolls, in order to adjust for rising prices and to reflect to some extent rising levels of living. Similar changes have been made under the railroad retirement program and many of the programs for public employees.

At the end of 1959, a worker who had retired in December 1940 with a monthly old-age, survivors, and disability insurance benefit of $22.60 and was still on the rolls was receiving $55.00 a month, an increase of 17 percent in real income after allowing for the decreased purchasing power of the dollar. The average monthly check to all retired workers on the rolls in December 1959 was $72.78, or the equivalent of one and one-half times what the average 1940 check would buy at present prices. A worker newly retiring received even more; new awards in December 1959 averaged $82.26.

There have also been slippages, however. Because the maximum dollar amounts in most of the State unemployment insurance laws have not been increased to the same extent as earnings levels have risen, a large proportion of the workers drawing benefits today get only about one-third instead of the intended one-half of their on-the-job income. Six States now express the maximum weekly benefit not in dollars but as a percentage of average covered earnings, thus providing for automatic adjustment to changing wage levels. Very few of the State laws, however, reflect the concept of adequacy implied in the supplemental unemployment benefit plans negotiated in a few of the mass-production industries, which envisage benefits equal to 65 percent of previous earnings.

In old-age, survivors, and disability insurance, the limit on the amount of earnings that are taxable and creditable towards benefits has likewise limited the replacement of earned income in the case of higher-paid workers. In 1959, more than half of all full-time male workers and 25 percent of all persons in covered employment had earnings above the $4,800 that could be counted in determining the amount of their benefits. While many of these higher-paid workers are among the groups most likely to have supplemental protection under private pension plans, by no means all have this resource.

For those workers whose benefits are based on low earnings, the problem is that few have much cash income other than their relatively modest benefits. Homeownership is also less common for those with the lower benefits. The 1957 survey of old-age and survivors insurance beneficiaries showed that one-sixth of all retired couples had no current cash income (or less than $75 per person for the year) in addition to their benefit. More than one-third of the aged widows relied on their benefits as practically their sole source of cash income. Less than half these widows

TABLE 3.—*Average payments under old-age, survivors, and disability insurance, unemployment insurance, and public assistance, in December, selected years, 1940–59*

Program	Current dollars					1959 dollars [1]				
	1940	1949	1950	1954	1959	1940	1949	1950	1954	1959
Old-age, survivors, and disability insurance:										
Average *monthly* benefit in current-payment status:										
Retired worker	$22.60	$26.00	$43.86	$59.14	$72.78	$47.10	$32.30	$51.50	$64.90	$72.78
Aged widow	20.28	20.82	36.54	46.27	56.72	42.25	25.85	42.90	50.80	56.72
Widowed mother and 2 children	47.10	50.40	93.90	130.50	[2] 166.50	98.15	62.60	110.20	143.25	[2] 166.50
History of *monthly* old-age benefit of worker retiring in 1940	22.60	22.60	41.40	51.60	55.00	47.10	28.10	48.60	56.65	55.00
Unemployment insurance (State programs):										
Average *weekly* benefit for total unemployment	10.88	21.31	20.78	25.22	31.91	22.67	26.47	24.39	27.68	31.91
Public assistance:										
Average *monthly* payment per recipient:										
Old-age assistance	20.26	44.76	43.95	51.90	65.86	42.21	55.60	51.58	56.97	65.86
Aid to dependent children	9.85	21.70	21.13	23.96	29.02	20.52	26.96	24.80	26.30	29.02
Aid to the blind	24.38	46.11	46.56	56.37	71.29	52.88	57.28	54.65	61.88	71.29
Aid to the permanently and totally disabled	----------	----------	45.41	54.93	64.64	----------	----------	53.30	60.30	64.64
General assistance (per case)	24.28	50.47	46.65	57.29	69.45	50.58	62.70	54.75	62.89	69.45

[1] Calculated by dividing current-dollar amounts by the consumer price index (December 1959=100).
[2] June 1959.

owned their homes, while about 70 percent of all the couples had this resource.

Level of Public Assistance Payments

The level of payments under the public assistance provisions of the Social Security Act has also risen over the past 25 years. Indeed, during the period from 1940 to 1950, when no changes were made in old-age, survivors, and disability insurance, public assistance payments proved much more responsive to increases in the cost of living. Rising levels of living for the population as a whole and increased tax-paying ability have also been reflected in the standards of need applied in most States.

At the end of 1959, recipients of old-age assistance were receiving in monthly payments more than $3.00 for every $2.00 (in terms of 1959 prices) paid in 1940 and recipients of aid to dependent children about $2.75 for every $2.00.

Unmet need.—In spite of these improvements there is evidence of substantial continuing unmet need for assistance. Many of the States provide less than the amount needed according to their own standards. Measured against a uniform but minimal standard, such as twice the cost of a low-cost food budget, the extent by which existing assistance payments fall below need as so determined is disturbing. A conservative estimate for old-age assistance and aid to dependent children alone suggests that present expenditures may be inadequate by as much as a billion dollars annually, simply for those persons who already receive assistance.

The overall growth of the economy in the past 25 years has resulted in a decrease in inequalities of wealth and income among the several States. Nevertheless there remain great variations. In some regions—particularly the predominantly rural areas of the Southeast—economic development has failed to keep pace with expansion in the general economy. Major sections of the populations in the States of this region have low incomes. As a graphic illustration, the average per capita income in some of these States is less than the average amounts of public assistance paid to some categories of the needy in the States making the highest assistance payments. In other areas, where automation has developed most rapidly or where industries have moved out, the training and skills of substantial numbers of workers are outmoded and not in current demand in their home areas. Unemployment of long duration characterizes so-called "depressed areas," far beyond the resources of local communities to counteract.

Even with proportionately larger Federal sharing in the costs of assistance, the States where need is concentrated may be hard pressed or unable to meet generally accepted standards of adequacy in their assistance programs.

Size of Low-Income Group

A recent study of low-income groups in the population suggests that in the past 25 years there has been a significant decline in the number of persons with very marginal incomes. From one-third of the Nation in 1935, the disadvantaged group has fallen to about one-fifth of the population. This figure results from using as a measure of low income less than $2,500 a year in 1957 dollars for a family of four (about $600 per capita) and comparable amounts for other family sizes. Other reasonable standards would suggest even larger numbers with inadequate incomes. Almost inevitably a considerable number of the one-person families, particularly aged widows and young persons just starting out on their own, tend to fall in the low-income group. Many of the families with a large number of children also are living on very low incomes. It is estimated that no more than half and perhaps only a third of the children with uncomfortably low incomes are in families receiving any form of income maintenance under a public program.

It is also significant that while a large proportion of today's low-income population are in the labor force but have limited earning capacity—Negroes and others who meet discrimination in employment, rural families, families headed by a woman or someone with little education—a large proportion also are aged, widowed, disabled, and dependent primarily on one or more of the social security programs for their support. Those programs will inevitably play an increasing role in determining the level of living of large numbers of the American people.

HEALTH SERVICES AND SOCIAL SECURITY

Before the passage of the Social Security Act, the Federal Government had assumed responsibility for health services for a few selected groups, primarily merchant seamen and veterans. From 1921 to 1929, the Federal Government had also provided grants to the States to encourage the development of maternal and child health services.

The Committee on Economic Security gave considerable attention to the need for more adequate public health programs, including a system of health insurance. It was not able to reach agreement on specific health insurance proposals in time for inclusion in its report. It did recommend, and the Social Security Act of 1935 included, Federal grants in aid to the States for general public health activities, for maternal and child health services, and for special health services for crippled children.

The general health grants laid the basis for the development of modern public health programs in the United States. Now a part of the Public Health Service Act, they set a pattern for subsequent grants for hospital construction, for tuberculosis and venereal disease control, and for cancer, heart, mental illness, and other health programs.

Health Services for Children

The maternal and child health and crippled children's programs remain under the Social Security Act. They, too, have expanded and developed over the years. That development can be measured in total dollars expended, from \$2.5 million in 1935–36 to more than \$140 million in 1959–60. It can be measured indirectly in the decline in maternal and infant mortality. And it can be assessed in terms of the broadening scope of the crippled children's program, from its early emphasis on orthopedic conditions to its present attempt to prevent or ameliorate any disabling condition.

Federal funds have always represented a relatively small proportion of the total amounts spent for the maternal and child health and crippled children's programs. In 1959–60, Federal grants for maternal and child health were \$17.5 million and for crippled children's services \$16.0 million. The grants have served to stimulate and to encourage experimentation and high standards of quality of care. Among the newer developments is the attention now being given to the problems of mental retardation, partly as a result of the earmarking of funds for this purpose in appropriations for 1958.

Rising costs of medical care generally and the development of complicated and costly new techniques have limited the number of children who could be cared for even with increasing dollar expenditures. One of the more dramatic examples of pressure on limited funds was the swelling demand for open-heart surgery to save the lives of children who a few years ago could not have been helped. Such operations cost thousands of dollars, far beyond the ability of most families to pay. In 1959, when amounts initially appropriated ran out, Congress appropriated an additional \$1 million to assure that the few medical centers able to perform such operations could continue to give the service.

During the past few years the infant mortality rate, which had dropped from 55.7 per 1,000 births in 1935 to 26.0 per 1,000 in 1956, began to level off. There are a number of different causes, all of them pointing to the need for more health education and better prenatal and obstetrical care. There remain, also, greater differences in the mortality rates in different areas and among different population groups than can be accepted without concern.

During World War II, the Children's Bureau was responsible for the administration of a program of emergency maternity and infant care for the wives and children of servicemen in the lowest four grades. This program undoubtedly contributed greatly to the health of the women and children involved as well as to the morale of their husbands. Altogether some 1¼ million mothers received maternity care and 230,000 infants some medical services under this program. Emergency maternity and infant care (EMIC) was in some respects a forerunner for the present Medicare program administered by the Department of Defense, which covers most of the cost of maternity care and of hospitalization and limited outpatient services in civilian facilities for the wives and children of members of the Armed Forces.

Other Public Expenditures for Health Services

In 1950, the Social Security Act was amended to permit Federal matching of direct payments by public assistance agencies to hospitals, doctors, and other vendors of medical care. Since that time, the total amount of vendor payments for recipients of public assistance has increased until it amounted to $465 million in 1959–60 and represented 11.5 percent of total expenditures for assistance. Provisions for medical care vary greatly among the States. There are eight or nine States that provide very comprehensive medical services for assistance recipients. Others provide for limited services only.

Most care in mental and tuberculosis hospitals is provided in public hospitals, operated by the States or localities. Many of the States and localities also support general hospitals where care is provided free or at charges related to the individual's income.

About 20 percent of all expenditures for personal health care in the United States is now financed from public funds. About 18 percent is covered through private health insurance. Except for relatively small amounts financed from philanthropic contributions and the cost of industrial health services paid for by employers, the remaining expenditures take the form of direct payments to the providers of service by persons receiving care (or their families or other persons in their behalf).

The issue of national health insurance was extensively debated in Congress during the years from 1946 through 1950, but no action was taken. In the meantime there occurred a rapid growth in voluntary health insurance, first under the Blue Cross plans organized by hospital associations, later through Blue Shield associations organized in most instances by State medical societies and through insurance companies. About 70 percent of the population now has insurance covering some or all of the costs of hospitalization, about 64 percent is covered by surgical insurance, and 44 percent by insurance for some other medical expenses.

Voluntary insurance has been only moderately successful, however, in covering those with low incomes, including aged persons; farm families, especially in the South; migratory workers; and those in domestic service. Recognition of the special problem of the low-income aged in meeting the costs of medical care has led to active current consideration of several alternative types of governmental programs to help finance these costs.

WELFARE SERVICES

The original Social Security Act also recognized the need for welfare services as an essential part of a balanced social security program. The act provided Federal financial support for child welfare services and for vocational rehabilitation services. Both types of activity had been under way in States and local communities, stimulated by the same social forces and social reform movement that resulted in the adoption of mothers' pension laws and workmen's compensation laws in many States in the years just before World War I. Limited Federal grants for vocational rehabilitation had been available under a 1920 act. The Federal grants in aid under the Social Security Act placed both programs on a firm base. Both have developed and expanded significantly in the intervening years.

Vocational Rehabilitation

The authorization for Federal grants for vocational rehabilitation was removed from the Social Security Act and transferred to the Vocational Rehabilitation Act at about the same time the public health titles were given separate status. With the addition of disability benefits under the old-age, survivors, and disability insurance program, there has developed a close working relationship between the income-maintenance and the service programs. The availability of the insurance benefits helps locate cases needing rehabilitation services and provides a means of support for the individual and his family until he can get back into gainful employment. Disability benefits can be paid, regardless of the amount of the individual's earnings, for a full year after placement in gainful employment as a result of an approved rehabilitation program. In the long run, expenditures on rehabilitation services mean savings to the insurance program, as well as a new life for the in-

dividuals concerned. In spite of the very large expansion in the amounts spent by the Federal and State governments for vocational rehabilitation—from $2.2 million in 1934–35 to $103.0 million in 1959–60—the need for such services is still far beyond what can be met with existing personnel and facilities.

Child Welfare Services

The child welfare services program has also taken on increasing importance during the years since 1935. With the rapid increase in our child population and the stresses and strains of crisis years, more children have stood in need of protective services. Children abandoned and neglected or in danger of neglect, children who have run afoul of the law, restless and disoriented adolescents—all need special help with their problems if they are to grow up to lead useful and satisfying lives.

The Federal grants for child welfare services have been used to stimulate and underwrite a wide variety of services—adoption services, placement in foster families, social services for children in their own homes, special protective and custodial services, services for juvenile delinquents or potential delinquents. In 1958, a restriction on the use of Federal funds that had required that they be spent primarily in rural areas was removed. In the early years of the program, it had been argued that private agencies already well established in the cities could do the job that needed to be done there. With the continuing movement of population to the cities and the intensification of social problems there, it had become clear that a broader acceptance of social responsibility and the use of public funds was necessary in urban areas.

Somewhat more than $200 million was spent for child welfare services in 1959–60, with $12 million coming from Federal and $188 million from State and local funds. In 1934–35, total expenditures, all from State and local funds, had been $26 million. There still remain, however, many counties that are completely without the services of a trained child welfare worker. And in city after city there are hundreds of children crowded into unsuitable institutions or with no one to whom to turn in trouble because of limitations in existing child welfare services.

Welfare Services in Public Assistance

The public assistance programs have always provided some services to needy families beyond the primary service of giving them the means to live. As the social insurance programs have taken over more and more of the income-maintenance function, an increasing proportion of those on the public assistance rolls have been persons with multiple problems and disadvantages. If they, or their children, are to break out of the cycle of poverty, dependency, ill health, inadequate or antisocial functioning, and continued poverty, they need special help and special services. Increasingly, in some areas, public assistance agencies have been providing such services. While all such rehabilitation services may pay for themselves in the long run, they are expensive. Lack of funds and scarcity of trained personnel prevent any large immediate expansion in such services. This is also an area in which much more knowledge is needed as to cause and effect and how to prevent dependency as well as deal with its consequences.

Additional Community Services

Experience with the social security programs has brought to light the need for additional kinds of community services. In administering the old-age, survivors, and disability insurance program—particularly as the average age of those on the benefit rolls has advanced—there has been a growing awareness of the need for guardianship arrangements and special types of institutional care for a few and of the need for health services, homemaker services, and other social services to enable the many to remain independent as long as possible. Experience with both public assistance and child welfare services has highlighted the growing need for day care centers for children of working mothers and for homemaker services to help hold young families together when the mother is ill or temporarily away from home. Many communities are attempting to develop these and other services. Just what the organizational relationships or basis for financing such services should be is not yet clear. However they are developed, they will remain an important aspect of the social security status of the American people.

Federal Credit Unions

The services provided through the Social Security Administration, though not under the Social Security Act as such, were enlarged with the transfer of the Bureau of Federal Credit Unions to the Federal Security Agency in 1948. Credit unions or credit cooperatives through which individuals can pool small savings and obtain credit from one another at reasonable rates have been among the earliest social security measures to be adopted in many underdeveloped countries. They are a valuable adjunct to social insurance and other social security programs in a country with a highly developed economy. They spread to individuals in all income groups the opportunity and means for individual savings that we accept as one part of our social security picture.

The credit union movement in the United States started in Massachusetts in 1909. Federal chartering of credit unions was authorized in 1934. Since 1935, total membership in federally chartered credit unions has grown from 119,000 to 5,643,000 and their total assets from $2.4 million to $2.4 billion in December 1959. Since 1958, the Bureau of Federal Credit Unions has been supported entirely from fees for chartering and supervising local credit unions.

SOCIAL SECURITY AND THE NATIONAL ECONOMY

During the 25 years since the passage of the Social Security Act, both the population and the productive capacity of the United States have increased far beyond the most far-ranging predictions of that day. The social insurance programs have developed to the place where they now account for almost 4 percent of our total national output of goods and services. In contrast, the resources used for public assistance have dropped sharply from the depression period of the 1930's. Public expenditures for health and for other welfare programs have increased at about the same rate as the overall growth in national output.

The social security programs have increasingly contributed not only to individual welfare but also to the stability of the entire society. Social insurance provides both a steady flow of income to important groups of consumers and an automatic stabilizing force that helps counteract swings in the economy. A large part of the strength of our free society flows from the mutual concern and support that are manifested in social welfare programs.

The gaps and inadequacies that we can now see in these programs should become easier to remedy if our productive capacity continues to expand at the rate that our present level of scientific achievement makes possible. To achieve and maintain for all the people a social security status commensurate with our national wealth and potentialities will still not be a simple task. In the future as in the past, imagination, inventiveness, willingness to experiment with new types of relationships among public and private organizations and among levels of government, and above all a clear awareness of the need for choice and decisions as to social priorities will be necessary if we are to continue to move towards this goal.

Old-Age, Survivors, and Disability Insurance After Twenty-five Years

by VICTOR CHRISTGAU*

THE ADVISORY COUNCIL on Social Security Financing, in its report of January 1959 on the financial soundness of the old-age, survivors, and disability insurance program, recognized the importance of this social insurance system to the American people. The Council said, in part:

> [The program] involves in varying degree the personal security of practically all Americans—not only those who have retired or are nearing retirement age but those just starting to work, those who are children today, and the generations of the future. For millions of Americans the social security benefit will spell the difference between deprivation, on the one hand, and an assured income provided on a basis consistent with self-respect and dignity, on the other . . . We believe that the almost universal acceptance of this program of social insurance is well-deserved and that it is a permanent institution in American life.

THE PROGRAM IN 1960

Today, 25 years after the enactment of the original Social Security Act, the old-age, survivors, and disability insurance program is firmly established as the basic method in the United States of assuring income to individuals and families who suffer a loss of earnings when the worker retires, becomes disabled, or dies. The program has in fact achieved such widespread public acceptance and support from both political parties that it is hard for us to remember that just a quarter of a century ago there were a great many people who doubted whether such a program was economically feasible or socially desirable and whether it could be efficiently administered.

Under old-age, survivors, and disability insurance, employees and the self-employed pay contributions from their earnings while they are working (with the employees' contributions being matched by their employers), and when earnings are cut off because of the worker's death, retirement in old age, or disability (for those workers aged 50–64), benefits related to his former earnings are paid to him and to his family. This, then, is a program under which the people, through their Government, help provide security for themselves, and therefore it is in keeping with our American traditions of independence, self-help, and thrift.

By January 1960, the number of old-age, survivors, and disability insurance beneficiaries was approaching 14 million—almost double the number who were getting benefits when I wrote about the program in 1955, on the occasion of the twentieth anniversary of the Social Security Act—and beneficiaries were receiving checks totaling over $870 million a month, compared with about $340 million in January 1955. More than 10 million of the beneficiaries were aged 65 or over, and some 2 million were children and young widowed mothers. In addition, there were about 1½ million beneficiaries who were on the rolls as a direct result of amendments that were enacted since 1955.

The program today approaches almost universal coverage. About 90 percent of all employed workers in this country are in jobs covered or eligible for coverage under the program now, compared with about 60 percent when the program began. During 1959, about 73 million persons had earnings credited under old-age, survivors, and disability insurance.

More than 72 percent of all Americans aged 65 or over either are drawing old-age and survivors insurance benefits or will be eligible to draw them when the worker retires, compared with only 8 percent in 1940. Compared with 23 million in 1940, about 81 million individuals have worked long enough in covered employment today to be insured for survivor insurance benefits; more than 9 out of 10 mothers and young children in the Nation can count on monthly benefits in the event of the death of the family earner. About 42 million persons are permanently insured for old-age and survivors insurance benefits—that is, whether or not they continue to work in covered jobs, they will be eligible for benefits when they

*Director, Bureau of Old-Age and Survivors Insurance.

reach age 65 (62 for women) and retire, and their survivors will be eligible for benefits in case of their death. At the beginning of this year, 43 million workers were insured for disability insurance benefits—protection not available at all until enactment of the 1956 amendments to the Social Security Act.

RELATION TO PUBLIC ASSISTANCE

From the beginning, Congress has intended that the insurance program should be the first line of defense in maintaining income for those who no longer have income from work. One objective in improving old-age, survivors, and disability insurance protection has been to reduce, so far as possible, the number of persons who have to get help from assistance programs.

Over the years the program has greatly reduced the number of orphans receiving aid to dependent children. Moreover, the program has markedly reduced the proportion of the aged receiving old-age assistance. In 1940, while old-age and survivors insurance was paying benefits to 7 out of every 1,000 people aged 65 or older, old-age assistance was making payments to 218 per 1,000. From 1950 to 1951 the insurance rate and the assistance rate coincided at about 225 per 1,000, and since then the proportion of the aged receiving old-age assistance payments has steadily declined while the proportion receiving old-age and survivors insurance benefits has kept going up.

Today, there are about 4½ times as many aged persons receiving old-age, survivors, and disability insurance benefits as there are receiving old-age assistance payments. At the end of 1959, old-age, survivors, and disability insurance was paying benefits to 626 out of every 1,000 persons aged 65 and over, while the old-age assistance rate was 156 per 1,000, and 43 out of every 1,000 were receiving payments under both programs. It is estimated that by 1970 old-age, survivors, and disability insurance will be paying benefits to 744 out of every 1,000 aged persons, while the old-age assistance rate will be 113 per 1,000.

This is not to say that old-age assistance will no longer have a role to play. While it is true that the need for supplementary protection under the assistance programs to meet basic living costs will decrease, assistance programs will probably always have to provide supplementary grants for special needs. As old-age, survivors, and disability insurance expands, though, it can be expected that assistance will have a somewhat smaller volume of cash needs to meet and will therefore be able to expand its facilities to offer more services to the needy.

COVERAGE UNDER THE PROGRAM

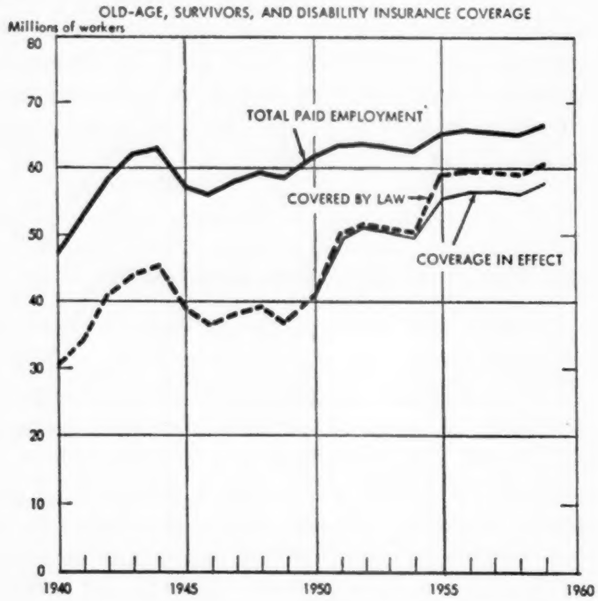
Perhaps the most important characteristic of coverage under the old-age, survivors, and disability insurance program is that the program embraces all kinds of workers in one comprehensive social insurance system. The unified coverage of our program is in part a reflection of the greater mobility of the American labor force and a recognition that the part-time student or unskilled worker of today may be the skilled technician or self-employed businessman of tomorrow. With practically all kinds of work under the same social security program, the American worker has assurance of continuous coverage during all phases of his working career.

Expansion of Coverage

The original Social Security Act, which covered only employees working in industry and commerce, brought into the program about 60 percent of the working force. In the past quarter of a century, coverage has been extended to workers in nearly all kinds of employment and self-employment—including work on farms, in private households, in government, and in private nonprofit organizations.

The 1950 amendments, which provided the first major extension of coverage to the previously excluded groups, brought into the program most of the nonfarm self-employed and covered some hired farm laborers and domestic workers and most employees of nonprofit organizations and employees of the Federal, State, and local governments without staff retirement protection. The 1954 and 1956 amendments extended coverage to most self-employed farm operators and professional groups, to more farm and domestic workers, and to State and local government em-

CHART 1.—*Old-age, survivors, and disability insurance coverage and total paid employment, mid December 1940–60*



ployees under retirement systems. As a result of the 1951 amendments to the Railroad Retirement Act, railroad workers were, in effect, jointly covered under old-age, survivors, and disability insurance and the railroad retirement system.

Legislation passed in 1956 brought the members of the uniformed services into the program on a contributory basis. Legislation enacted in 1946 had previously provided social security protection for survivors of certain deceased veterans, and the 1950 amendments and subsequent legislation had provided that members of the uniformed services were to be given wage credits—without having made contributions—for service after September 15, 1940. Provision was made under the 1956 legislation for reimbursement of the old-age and survivors insurance and disability insurance trust funds from general revenues for the benefit payments made under these earlier amendments.

Elective Coverage Provisions

Although most workers under the program are covered on a compulsory basis, coverage is available to some groups on a basis that is, at least in part, elective. Problems concerning the constitutional barriers on taxation of State and local governments, the traditionally tax-exempt status of nonprofit organizations, and the separation of church and state were overcome by providing for elective coverage.

Generally speaking, coverage is available to most employees of State and local governments and nonprofit organizations on a group-elective basis. In some cases when coverage is arranged for a group, all employees in that group must be covered. In others, only employees desiring coverage are covered; however, once the group is covered, all newly hired employees in this group are covered on a compulsory basis. Coverage in each group will thus eventually be complete. Ministers are eligible for coverage on an individual voluntary basis; however, election of coverage must be made within a specifically limited period after entry into the ministry and, once made, is irrevocable.

These elective coverage provisions have generally afforded adequate safeguards against the disadvantages that could result from coverage on an unrestricted voluntary basis and have, at the same time, been successful in bringing into the program most of the workers potentially affected by them. Coverage has been arranged for nearly all regular employees of nonprofit organizations, most of the ministers, and about 60 percent of the employees of State and local governments. Additional arrangements for coverage under the elective provisions can be expected to continue.

Exclusions From Coverage

About 10 percent of the labor force, during an average week, is still excluded by law from coverage. Somewhat more than one-half of them are self-employed persons and farm and domestic employees who do not meet certain minimum requirements as to the amount of their earnings or the length of time worked. These requirements for coverage are generally minimal so that comparatively few regularly working people will be excluded over their working lives. Many of those excluded by the requirements are persons who do not ordinarily work for a living—for example, housewives or students with temporary jobs.

The others not covered under the program are mostly employees of the Federal Government under the civil-service or other staff retirement systems; a relatively small number are self-em-

ployed doctors of medicine and policemen and firemen under State or local retirement systems in certain States. Their exclusion from the program has been due primarily to the opposition of the workers themselves, or of their spokesmen, to coverage. There are strong indications that there is a desire for coverage on the part of many workers in these groups, and it is likely that in the future—perhaps in the next 10 years—the protection of the program will be extended to some or all of these workers. When this is accomplished, coverage will be available to nearly all who support themselves by their own earnings—that is, substantially universal coverage will have been achieved.

BENEFIT AMOUNTS AND THE CHANGING ECONOMY

Over the years, a series of amendments have been enacted to keep benefits payable under the program approximately in line with changing economic conditions.

During the 1940's—the first decade in which monthly benefits were paid—the Nation's attention was concentrated on the war effort and postwar adjustment, and benefits were not adjusted to keep pace with rising price and earnings levels. By 1950, the average annual earnings of all workers covered under the program had increased 126 percent from 1940 levels and the cost of living had advanced 72 percent, while over the same period the benefits of individuals on the rolls were not increased.

Benefits Increased

The 1950 amendments provided the first general increase, raising benefits, on the average, by about 81 percent. From 1950 through 1954, the consumer price index rose about 12 percent and the average earnings of workers in covered employment rose about 22 percent. Benefits of those on the rolls were increased, on the average, by about 15 percent under the Social Security Amendments of 1952 and by 13 percent under the 1954 amendments. As a result, the percentage increase in benefits for those on the rolls was somewhat larger for the period 1950–54 than the percentage increase in price or earnings levels.

At the time of the 1958 amendments, the benefits of people who had been on the rolls since the 1954 amendments had fallen behind increases in wage levels by 12 percent and behind increases in price levels by 8 percent. The 1958 amendments provided, on the average, a 7-percent increase in benefits to both current and future beneficiaries, beginning January 1959. Over the entire period 1950–58, the consumer price index rose about 20 percent and average earnings of workers in covered employment went up nearly 38 percent, while the average old-age insurance benefit that was payable in December 1950 ($43.86) was raised about 32 percent as a result of the benefit increases of 1952, 1954, and 1958.

Wage Base Raised

Since 1940, when monthly benefits first became payable, benefits have been based on a worker's average monthly earnings in covered work. The average monthly wage a person can have, and thus the amount of his benefits, is restricted by the upper limit on the annual amount of earnings taxed and credited for benefit purposes. The original maximum of $3,000 has been increased several times in recognition of general increases in earnings levels: to $3,600 a year beginning in 1951, to $4,200 beginning in 1955, and to $4,800 beginning in 1959.

Computation of Benefits for Newly Covered

In 1950, in consideration of the fact that most of the individuals in the 9 million jobs that would first be brought under the program in 1951 had not had an opportunity to work in covered employment before 1951, the law was amended to provide, generally, that a person's benefit might be figured solely on the basis of the average of his monthly earnings in covered work after 1950 if that would give a higher benefit than his earnings averaged over the entire time since the program began. When coverage was extended to several million additional jobs beginning with 1955, a provision was included to ensure that lack of coverage before 1955 would not reduce the benefits of the newly covered. Under this provision, as many as 5 years during which a person's earnings were low or during

which he had no earnings can be dropped from the benefit computation.

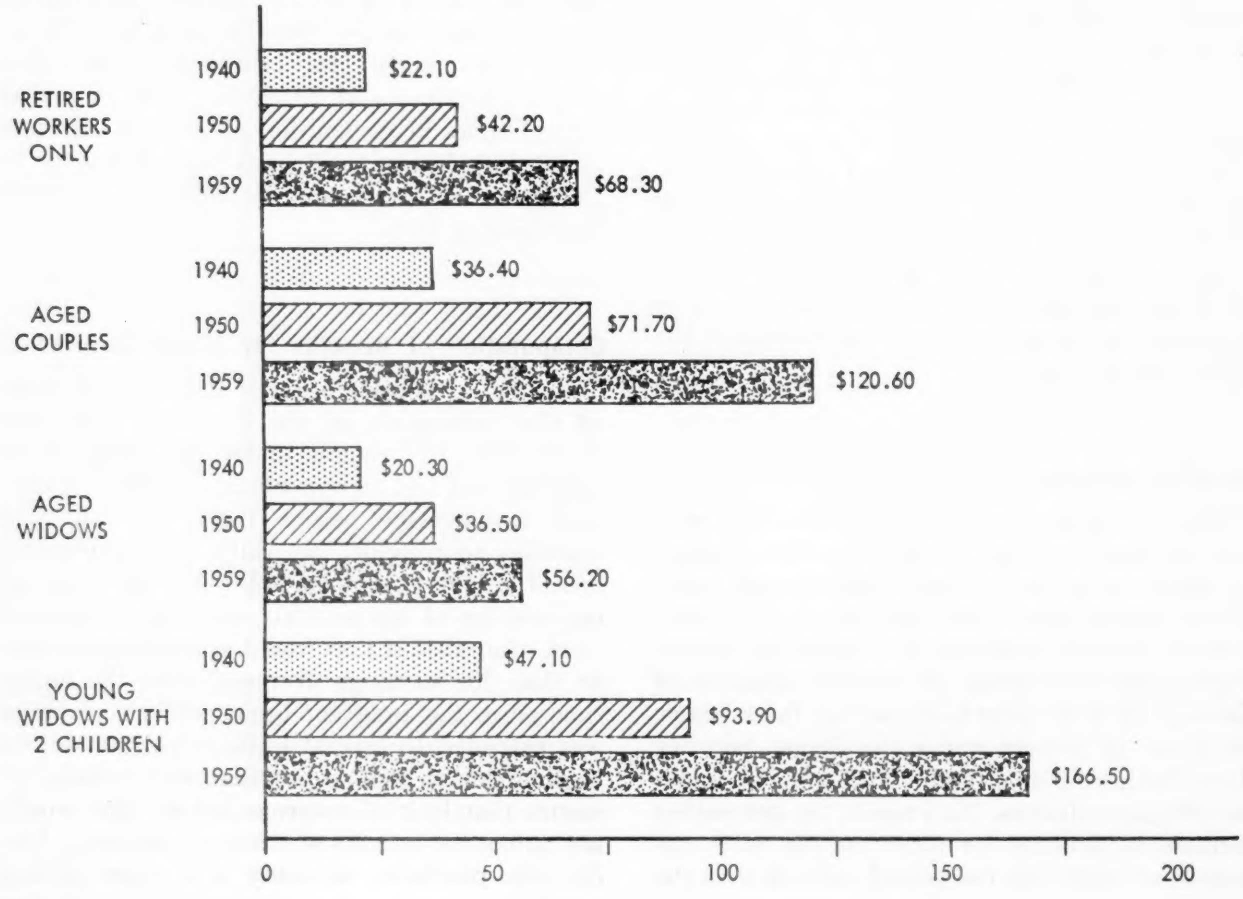
Special Provisions for Women

Actuarially reduced benefits were made available to women in 1956. This came about because Congress wished to reduce the age of eligibility for women from 65 to 62 without increasing the cost of the program to an extent that would require an increase in contribution rates. To accomplish this purpose, benefits payable to a woman who elects to retire on her own record or to get wife's benefits before age 65 are reduced to an amount that, paid over a longer period, will on the average result in the same total benefits that would have been paid if benefits had begun at age 65. Widows and dependent mothers of insured workers were provided full-rate benefits at age 62 because Congress felt that they had the greatest need and because full-rate benefits could be paid to them without an increase in the contribution rates.

IMPROVEMENTS IN RETIREMENT TEST

Since one of the basic purposes of the program is to provide protection against loss of earnings due to retirement, the Social Security Act has contained, from the time monthly benefits were first payable, a test to be used in determining when an individual is substantially retired from employment. There have been proposals over the years to pay benefits as an annuity at age 65 without regard to earnings, but these proposals have been repeatedly rejected as not representing the best use of the funds available to the program. The removal of the retirement test would

CHART 2.—*Average old-age, survivors, and disability insurance benefits paid to specified family groups at end of December 1940, December 1950, and June 1959* [1]



[1] Estimated for June 1959.

increase the level-premium cost of the program by 1 percent of taxable earnings, but it would not help the large majority of beneficiaries, who cannot work or cannot find jobs and who must depend almost entirely upon their benefits for their living.

Amount of Excepted Earnings

The test of retirement has, however, been liberalized from time to time to take into account changes in earnings levels and to pay benefits in more situations involving part-time work. From 1940 through 1950, the retirement test was designed so that benefits would be paid only to beneficiaries who were almost wholly retired from covered employment. The beneficiary got a benefit for any month in which he earned less than $15 in covered employment. In 1950 the amount was raised so that the beneficiary could receive a benefit for months in which he earned $50 or less in covered work. In 1952, the amount was raised to $75.

In 1951, when the first self-employed people were brought under the program, the test of retirement for the self-employed was put, for the most part, on an annual basis, because it is practically impossible in most cases for a self-employed person to compute his earnings on a monthly basis. A person with self-employment earnings of $600 or less for the year (raised to $900 in 1952) could get benefits for all months in the year no matter what his earnings were in any single month. To place the self-employed beneficiary on a par with the retired wage earner, who could receive a benefit for any month in which he did not work or in which he worked very little, the law provided that a self-employed beneficiary, no matter how high his annual earnings were, could get a benefit for any month in which he did not render substantial services in his business.

Under the 1954 amendments, earnings from self-employment and wage employment were combined for retirement test purposes and a test with an annual exempt amount ($1,200) for both the self-employed beneficiary and the wage-earner beneficiary was provided. The 1954 amendments also provided that the wage earner could get a benefit for any month in which he earned no more than $80 (changed to $100 beginning with 1959) regardless of the amount of his earnings for the year. In addition, the 1954 law provided that earnings from noncovered as well as covered work would be counted under the retirement test. The retirement test now permits beneficiaries to supplement their benefits with a significant amount of earnings from part-time work on a regular basis or to have relatively high earnings for part of the year and still be considered retired.

In recognition of the fact that some people continue to work to an advanced age, the 1950 amendments authorized payments to beneficiaries aged 75 or over regardless of the amount of their earnings from work, and in 1954 the age was lowered to 72. Without this provision some workers who had paid contributions longer than most beneficiaries might never get any benefits.

Reports on the Retirement Test

There continues to be a great deal of interest in the retirement test. In its report on the 1958 amendments, the Committee on Ways and Means of the House of Representatives expressed concern over what it considered problem areas and asked the Department of Health, Education, and Welfare to study certain aspects of the test. The Committee showed special interest in the provision of the law under which a person can have high earnings in a single month and yet get benefits for the remaining months of the year. The situation grows out of the provision under which a beneficiary can get benefits for any month in which he neither earns wages of more than $100 nor renders substantial services in self-employment regardless of the amount of his annual earnings.

In March 1960, the Secretary submitted the Department's report to the Committee recommending that the monthly measure of retirement not be removed, since to remove it would prevent the program from attaining the objective of making the benefits available to people immediately upon retirement and during other periods when they do not have income from work.

The Department submitted a supplemental report to the Committee on Ways and Means later in March presenting an analysis of various proposals for improving the test by strengthening

incentives for beneficiaries to work. The report did not recommend the adoption of any of the alternatives.

DISABILITY PROTECTION

Nearly two decades elapsed after the passage of the original Social Security Act before any protection against the risk of disability was provided under the social insurance program. A measure of protection was first provided in 1954 with the enactment of the so-called "disability freeze" provision. Under this provision a disabled worker has his status under old-age, survivors, and disability insurance frozen so that the period during which he is disabled is not counted against him in computing benefits paid on his wage record or in determining his insured status. Since then, legislation has been enacted to provide cash benefits for a disabled worker aged 50–64 and certain of his dependents. A child over age 18 who has been continuously disabled since childhood may also receive benefits upon the death or retirement of his insured parent.

At the end of 1959 there were about 43 million persons (30 million men and 13 million women) who met the work requirements for protection against disability. If they should become "disabled," as that term is defined in the law, they would be eligible at age 50 for disability benefits and before that age for the disability freeze.

About three-quarters of a million individuals are already benefiting from the disability program. More than a half million are receiving cash benefits on account of disability—about 334,000 disabled workers, 126,000 dependents of disabled workers, and 80,000 beneficiaries with childhood disabilities. About 100,000 disabled workers under age 50 have had their status protected under the disability freeze, and another 100,000 are drawing benefits—chiefly old-age benefits—that are somewhat higher because the worker's status had been protected during a period of disability.

Development of Disability Insurance

In providing a disability program under the social insurance system, Congress took a careful, step-by-step approach. The first step, the enactment in 1954 of the disability freeze, was analogous to providing a "waiver of premium," common in private life insurance. Under the 1954 amendments, to qualify for the freeze a person was required to have had both substantial and recent work in employment covered by the program—that is, 5 years of work out of the last 10 before becoming disabled, with at least 1½ of these years within the 3-year period just before he became disabled. A person is considered disabled for purposes of the disability freeze if he is unable to engage in any substantial gainful activity because of a medically determinable physical or mental impairment that can be expected to result in death or to be of long-continued and indefinite duration. A worker who meets a statutory definition of blindness may qualify for the freeze without regard to his ability to engage in substantial gainful activity.

The second step in developing the disability program was the 1956 legislation that provided cash disability insurance benefits for disabled workers who are aged 50–64. The existing definition of disability for the disability freeze was retained for the new monthly benefits except that there is no presumed disability for the blind. Under the 1956 amendments, to be insured for disability insurance benefits a worker was required to be fully insured as well as to meet the work tests required for the freeze. The amount of the benefit payable to a disabled worker is calculated as though the worker were of retirement age. The 1956 legislation also removed the "age 18" limitation on eligibility for child's insurance benefits for persons who have been continuously disabled since before age 18.

The 1958 amendments provided for the payment of benefits to the dependents of workers receiving disability insurance benefits, thus bringing the disability provisions more closely in line with the provisions applicable to old-age insurance benefits. The 1958 legislation modified the test of substantial, recent work by eliminating the requirement that a person must have been in covered employment for 1½ years during the 3-year period immediately preceding the onset of disability to qualify for the disability freeze or for disability benefits. Experience had shown that this provision was unduly restrictive and had been especially disadvantageous to people whose disability was of a progressive nature.

The addition of a new requirement that a worker be fully insured in order to qualify for the disability freeze made the work requirements the same for the disability freeze as for disability benefits.

Future Role of Disability Insurance

In 1959 the Subcommittee on the Administration of the Social Security Laws, established by the House Committee on Ways and Means, held public hearings on the administration of the disability insurance program. The subcommittee heard considerable evidence on the desirability of removing the "age 50" requirement for receipt of disability benefits. It reported that there appeared to be "no administrative or other justification for continuation of this purely arbitrary distinction" and that the age limitation could be removed without an increase in the social security tax.

The disability insurance program is maturing rapidly, and in the coming years it will have an increasingly significant role in meeting the needs of the Nation's disabled. The number of workers who meet the work requirements for protection against loss of earnings through disability is increasing by approximately 2 million a year. By the end of 1964, the number benefiting from the program will have grown to about 1½ million—twice as many as at the end of 1959—and the number will continue to rise sharply in the ensuing years so that before long the great majority of workers who suffer from long-term, severe impairments will benefit from the protection of the program.

FINANCING THE PROGRAM

Congress has designed a schedule of contributions that will finance the old-age, survivors, and disability insurance program without any subsidy from the general funds of the Treasury. Rather than imposing the full rate all at once, Congress scheduled increases in the contribution rate at intervals that would allow the economy adequate time to adjust to the full tax burden and avoid the building up of excessively large reserves.

In considering provisions for financing old-age, survivors, and disability insurance benefits, Congress over the years has repeatedly made its intention clear that the program should remain self-supporting on the basis of the contributions of employees, their employers, and the self-employed. Whenever the conditions that affect program costs have changed so that the estimates of program costs have also changed, Congress has revised the schedule of contribution rates to keep the program self-supporting.

Early 1958 estimates indicated that there was a deficit in the long-range financing of the old-age and survivors insurance provisions and that for the next 7 or 8 years expenditures from the old-age and survivors insurance trust fund would be more than the income. Congress, when enacting the liberalization in benefit provisions in 1958, accordingly revised the tax schedule not only to take into account the costs of increased benefits but also to improve generally the short-range and long-range actuarial status of the program.

The following tabulation shows the contribution rates effective from 1937 through 1959 and the scheduled rates for 1960 on.

Year	Effective contribution rates			
	Employees	Employers	Self-employed	On taxable earnings of—
1937–49	1	1	------------	$3,000
1950	1½	1½	------------	3,000
1951–53	1½	1½	2¼	3,600
1954	2	2	3	3,600
1955–56	2	2	3	4,200
1957–58	2¼	2¼	3⅜	4,200
1959	2½	2½	3¾	4,800
	Scheduled contribution rates			
1960–62	3	3	4½	$4,800
1963–65	3½	3½	5¼	4,800
1966–68	4	4	6	4,800
1969 and thereafter	4½	4½	6¾	4,800

Beginning in 1957 the scheduled contributions included ¼ of 1 percent of payroll from employers and employees and ⅜ of 1 percent of earnings from the self-employed to finance the disability insurance benefits.

The contributions of employers, employees, and the self-employed are deposited in two trust funds, which are held by a Board of Trustees consisting of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare. Old-age and survivors insurance benefits and the costs of administering

the old-age and survivors insurance provisions are paid out of the Federal old-age and survivors insurance trust fund. In 1956, when the law pertaining to disability insurance benefits was enacted, the Federal disability insurance trust fund was set up. Disability insurance benefits and the costs of administering the disability provisions are paid out of this fund. The assets of the trust funds not needed for current benefit payments and administrative expenses are invested in United States securities or securities guaranteed as to principal and interest by the United States.

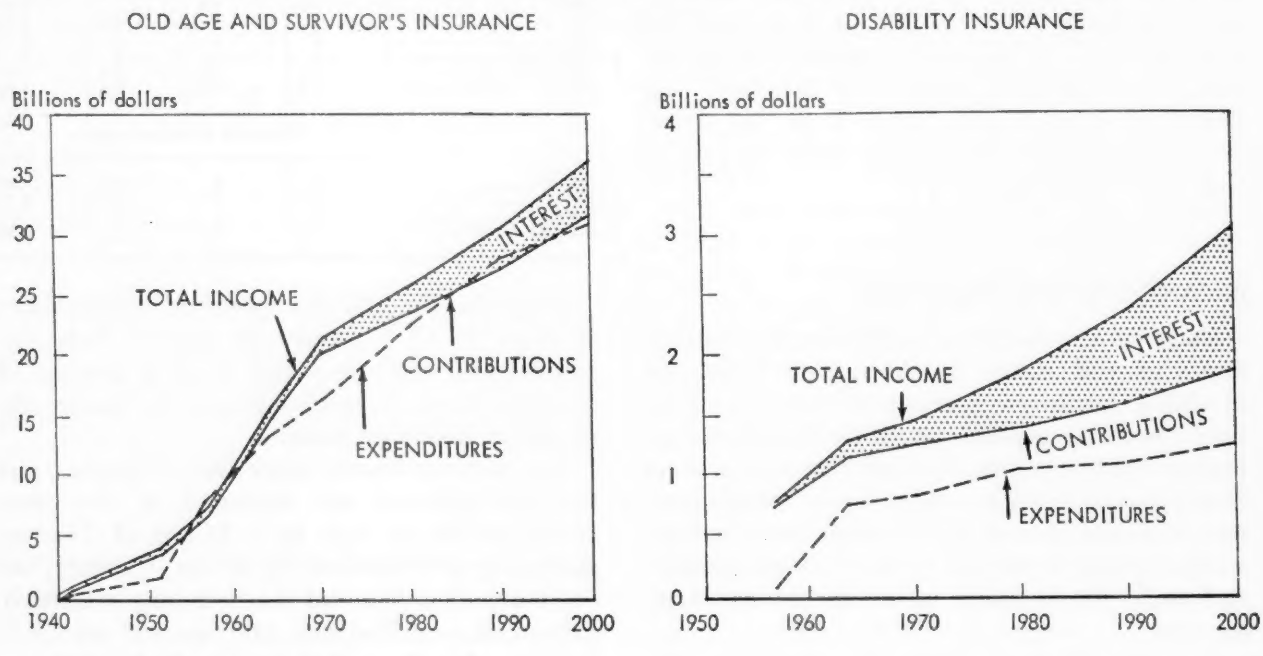
The 1956 amendments provided for the establishment of periodic advisory councils to review the status of the trust funds in relation to the long-term commitments of the program. The first Advisory Council on Social Security Financing, whose membership included experts in the fields of economics, business, and labor, issued its report in January 1959. The report, which covered a yearlong study of long-term program commitments, stated: "The Council is pleased to report that according to the best cost estimates available the contribution schedule now in the law makes adequate provision for meeting the cost of the benefits provided. We have found that the method of financing is sound and that no fundamental changes are required or desirable."

PROGRAM ADMINISTRATION

The Bureau of Old-Age and Survivors Insurance, with headquarters in Baltimore, Maryland, where the largest Federal building outside the Washington area was recently completed for its operations, is responsible for administering the program. The overall objectives of administration have been to ensure and safeguard the rights of the public under the program and to provide the best service possible for each administrative dollar.

Service to the public is provided through a network of 11 regional and 584 district offices under the general direction of the Division of Field Operations. Earnings records are established and maintained centrally in Baltimore by the Division of Accounting Operations. Claims for monthly benefits are reviewed, allowed or disallowed, and certified for payment to the Treasury Department by seven geographically dispersed payment centers under the supervision of the Division of Claims Control. Determinations of disability are made by State agencies operating under contract with the Department of Health, Education, and Welfare and are reviewed by the Division of Disability Operations, which is also responsible for disability standards.

CHART 3.—*Income and expenditures of the old-age, survivors, and disability insurance program, 1940–2000* [1]



[1] Calendar years; estimated for years after 1957.

Maintenance of Earnings Records

Since the beginning of the program, the Bureau has kept individual earnings records for each of the millions of workers for whom earnings were reported. At first the job was done by punch-card equipment and individual ledger sheets. Later the information on the ledger sheets was microfilmed, and the records were maintained through the use of microfilm of annual listings and of up-to-date summary cards for each account-number holder. In the fiscal year 1955–56, electronic data-processing equipment was secured for such record-keeping operations as maintaining earnings records, reinstating incorrectly reported earnings items, and supplying earnings record data for claims.

By the end of 1959, a total of almost 131.7 million social security accounts had been established, compared with 37.2 million established by the end of 1937. It is estimated that almost 73 million persons had earnings credited during 1959.

Development of Claims

Claims taking and development have been a growing part of Bureau operations since 1937. Almost 3 million claims applications are expected during the fiscal year 1959–60, compared with 921,000 in 1949–50.

The Bureau has always had as a primary objective individualized service. As a rule, there is at least one personal contact with each claimant by a Bureau representative during the development of a claim for benefits. The Bureau has learned that such a contact usually means that the individual will begin to get his benefits sooner than he otherwise would.

Payment centers perform the claims review and certification functions. Although there have been changes and improvements in procedures over the years, the claims process, as such, has remained essentially the same, and as additional district offices have been opened to better serve the public, new payment centers have been set up to handle the growing beneficiary rolls. The latest payment center to be set up was opened in Baltimore in September 1958 in order to centralize and expedite the payment of disability insurance benefits. The claims work pertaining to all beneficiaries living abroad was also transferred from the other payment centers to the new Baltimore Payment Center at this time.

Although many studies of various segments of the claims process have been made over the years, at no time was the process studied in its entirety until the Central Planning Staff was organized in January 1959. This group immediately undertook an across-the-board review of the claims process—how claims are received and developed, how the benefit rolls are kept up to date, and how benefits are paid. The basic recommendation of the Central Planning Staff was that the Bureau proceed with all possible speed toward the fullest use of integrated and automated data-processing equipment and systems and make use of high-speed communication devices to tie together the district offices, the earnings record center, and the payment centers of the Bureau. An integrated data-processing system coupled with high-speed wire communications should result in greater speed at a lower cost, with no decline in the extent of personal services provided for claimants and beneficiaries.

Payment of Benefits

The end product of the old-age, survivors, and disability insurance claims process is the delivery of the benefit check into the hands of the beneficiary, on time and in the correct amount. To issue checks to almost 14 million beneficiaries who are counting on their arrival near the first of the month is a gigantic undertaking that is repeated month after month by the Bureau, the Treasury Department, and the Post Office Department.

One of the major tasks in the benefit payment operation has been the conversion of benefit rates to the scales provided in new legislation. After the 1958 amendments to the Social Security Act, electronic equipment was used for the first time to ensure timely and accurate completion of this vast benefit conversion job. A recent improvement has been the use of electronic equipment in the Baltimore Payment Center to prepare the monthly benefit certifications to the Treasury Department. This equipment has also been used to check the earnings records of those beneficiaries who had earnings in excess of the exempt amount but who may have failed to report this information. Within the next few years, it is expected

that electronic equipment will be used in all payment centers to certify, balance, and control all benefit payments and to process as many of the subsequent actions as appropriate.

Keeping up with the changes in the beneficiary rolls has become an increasingly complex job as the number of beneficiaries has grown from 222,500 in December 1940 to 3.5 million in 1950, to 8.0 million in 1955, and to 13.7 million at the end of 1959. During this fiscal year, terminations of benefits, benefit suspensions, recomputations, reinstatements, check cancellations, and changes of address will require an estimated 6.7 million changes to keep the benefit rolls up to date.

Disability Operations

Enactment of legislation in 1954 providing for the disability freeze gave the Bureau a new type of program with new administrative problems. A staff with competence in making disability determinations had to be developed, and the disability program had to be integrated into Bureau operations.

A new administrative feature was provided in the disability legislation. It provided for determinations of disability to be made by State agencies, using standards prepared by the Secretary of Health, Education, and Welfare. A unique governmental relationship was thus created, under which State agencies play a part in the administration of a Federal program. The Secretary has authority to modify State agency determinations to make them less favorable to the disabled person but not more favorable.

Hearings and Appeals

The Social Security Act through the years has provided dissatisfied claimants the right to a reconsideration of their claims by the Bureau and a hearing before a regional referee. The referee is an employee of the Office of Hearings and Appeals, which is directly responsible to the Commissioner of Social Security. The claimant may, within 60 days of the referee's decision, request a review by the Appeals Council. The claimant also has the right of appeal in a United States court.

After the inception of the disability program, the number of requests for hearings rose rapidly. More than eight times as many reconsideration cases and four times as many hearings cases were processed in 1958 as in 1955. More than 70 percent of all hearings cases are concerned with disability determinations.

Costs of Administration

Administrative costs have never exceeded 3.6 percent of income from contributions except in 1940 and in recent years have generally been between 2 and 3 percent of income. The low cost of administering the program has been accomplished through efficient management and the introduction of labor-saving machinery and equipment.

As WE ENTER the second quarter century of old-age, survivors, and disability insurance, we look back at the record with a sense of accomplishment. From a program that first provided benefits only for elderly retired men and women who had worked in commerce and industry, the program has grown over the years to cover almost all those who work for a living and to provide payments not only to retired people but also to their families, to disabled people and their dependents, and to the families of insured workers who have died. Along with these improvements, the level of benefits provided by the program has been increased from time to time to reflect changing prices and levels of living. At the same time, the financing of the program has been kept on an actuarially sound basis.

While old-age, survivors, and disability insurance has succeeded in providing protection against many of the catastrophes that threaten the economic security of workers and their families, there is need for continuing reappraisal and revision of the program to make it still more effective in realizing its objectives. In fact, in a dynamic economy like ours, the program will need to be adjusted periodically to maintain its present effectiveness. Changing conditions will create new problems that are not anticipated today. The success we have had in meeting the challenges of the past 25 years gives us confidence that we will successfully meet the challenges of the future.

Twenty-five Years of Public Assistance

by KATHRYN D. GOODWIN*

PUBLIC ASSISTANCE programs have played a vital role during the past 25 years in providing basic economic security to needy persons not eligible for social insurance or receiving benefits insufficient to meet their minimum needs.

Expectations of the planners of the Social Security Act thus have been realized. For, with far-sighted vision, they recognized that an effective social security program for this country must include both social insurance and public assistance—social insurance to provide a measure of social security against insurable risks, such as loss of income due to the unemployment, retirement, or death of the wage earner; and public assistance, a supplementary program, to deal with individual want inadequately met through social insurance or other programs.

The flexibility inherent in the public assistance programs has permitted their adaptation to changing needs as the economic and social scene shifted rapidly in the maelstrom of economic and social change during the past quarter century.

THE CHANGING ROLE OF PUBLIC ASSISTANCE

The Social Security Act, passed in 1935, included Federal grants in aid to the States to enable them to make more nearly adequate provision for the needy aged and blind and for children in their own homes who were needy because of the death, disability, or absence of a parent. In the words of the first Annual Report of the Social Security Board, "The public-assistance program outlined by the act . . . implies a new conception of the value to the community, as well as to the individual, of a broadly conceived public-welfare program, national in scope, but varying from State to State according to local needs and desires."

Between February 1936, when public assistance payments were first made with Federal financial participation, and January 1940, when the first monthly benefits were paid under old-age and survivors insurance, public assistance programs carried major responsibility for providing basic economic security to these groups of needy persons. By January 1940, Federal funds were being used by 51 jurisdictions in providing old-age assistance, by 43 jurisdictions in aiding the needy blind, and by 42 in helping dependent children. The federally aided public assistance programs thus played an important part in preventing destitution for many needy persons in the transition from the emergency relief programs of the early 1930's to the activation of the long-range planning embodied in the social insurance provisions of the Social Security Act.

Today's Recipients

However, as the administrative machinery of the old-age and survivors insurance program gained momentum, and as amendments to the act in the ensuing years extended coverage and liberalized insurance benefits, the public assistance programs shifted into the secondary and supplementary role originally intended. Thus, by December 1959, while 9 out of 10 in the working force and their dependents had the protection of the old-age, survivors, and disability insurance program and nearly 14 million men, women, and children were receiving benefit payments, only 1 in 31 (fewer than 6 million) were receiving federally aided public assistance. In addition, more than a fourth of the aged receiving assistance in June 1959 needed such help to supplement insurance benefits in order to meet their minimum needs. For, as the 1957 survey of beneficiary resources showed, it was only when assistance was added to benefits and other resources that the total income per beneficiary-recipient approached the average for all aged beneficiaries.

In contrast to unemployment as the major factor contributing to dependency in the early 1930's when the Federal Government first assumed some responsibility for helping needy people, other handicapping conditions or per-

*Director, Bureau of Public Assistance.

sonal difficulties are contributing to the dependency of most people receiving public aid today.

More than a million old-age assistance recipients are over age 75; 3 out of 5 are women, and many are widows who have never been employed. Some are seriously ill; 1 in 30 is confined to bed, and 1 in 20 lives in an institution—usually a private nursing home. Half of those receiving aid to the blind are over age 63; most have been blind about 20 years and are totally blind or have very limited vision. All persons receiving aid to the disabled have a permanent and total disability; most have more than one impairment, with heart disease the most frequent; and about a fifth are so seriously disabled they cannot leave their homes. Many of the 2.3 million children receiving aid to dependent children suffer from emotional conflict, hardship, and instability in their family life, for most of them live in homes where one parent is either physically or mentally incapacitated, or deserted, separated, divorced, or not married. Many of the 1.1 million persons receiving general assistance are in need because of temporary illness or partial incapacity.

The expansion and liberalization of the old-age, survivors, and disability insurance program —which contributed to a 14-percent decline in the number of aged persons dependent on public assistance between 1950 and 1959 while the number of aged in the total population increased 25 percent—will undoubtedly result in a continuing decrease in the number of older persons dependent primarily on old-age assistance. It can be expected, however, that as the average age of persons receiving old-age benefits rises an increasing number will require supplementary aid to meet basic needs or special needs, such as medical care, if these are not met by any other program.

Legislative Changes

Provisions of the public assistance programs have been adapted to changing needs of dependent persons through amendments to the public assistance titles of the Social Security Act.

The scope and coverage of the programs were broadened by:

establishing a new federally aided category of aid to the permanently and totally disabled (1950);

extending federally aided programs to Puerto Rico and the Virgin Islands (1950) and to Guam (1958);

providing Federal financial participation in State public assistance expenditures for: (1) aged, blind or disabled recipients who are patients in public medical institutions (1950), (2) costs of medical care or other remedial care paid directly to doctors, hospitals, and other suppliers of such services (1950), (3) needy adults responsible for the care of children in the program of aid to dependent children (1950), (4) children aged 16 and 17, without regard to school attendance, and children living with first cousins, nieces and nephews (in addition to previously specified relatives) in the program of aid to dependent children (1956); and

placing increased emphasis on the provision of social services to help recipients achieve increased self-care, self-support and stronger family life by clarifying the objectives of public assistance as including both financial assistance and other services, and by recognizing that the cost of providing such service is a proper cost of administering public assistance (1956).

Federal financial aid to States was increased (1939, 1946, 1948, 1950, 1952, 1956, and 1958) *through:*

raising the maximum on the monthly amount of assistance for which Federal financial participation would be available (for example, from $30 a month per individual in old-age assistance in 1935 to an average of $65 a month in 1958);

increasing the proportion of Federal participation in that part of the assistance payment subject to Federal sharing (for example, from ½ of the monthly money payment to old-age assistance recipients in 1935 to ⅘ of the first $30 a month average payment plus half the balance for money payments to recipients, and half of separate payments to vendors for medical and remedial care up to $6 per recipient in 1956); and

revising the basis of Federal financial participation (1958) to increase Federal funds available to States, make possible greater flexibility in meeting individual needs of people, and simplify State fiscal procedures for claiming Federal funds, by these steps: (1) the fiscal ability of each State was considered in determining in part the Federal share of a State's expenditure for public assistance; (2) the Federal share was related to a single average expenditure per recipient for both money payments to recipients and vendor payments for medical care; and (3) the amount of State expenditures for public assistance (including medical care) in which the Federal Government will participate was established at an amount equal to $65 a month times the number of aged, blind and disabled recipients in the State and $30 times the number of recipients of aid to dependent children.

INCREASING ACCEPTANCE OF MEASURES PROMOTING WELL-BEING OF THE INDIVIDUAL

Consistent gains through legislative changes that broadened and strengthened federally aided

public assistance programs reflect their increasing acceptance as an integral part of the Nation's social institutions. The twenty-fifth anniversary of the programs thus provides the occasion for celebrating their maturing status and marks as well a significant milestone in changing attitudes toward relief of destitution.

In America, as a young country with rich natural resources, there was at first a general belief that almost everyone could achieve security for himself and his family through his own efforts, and that people who needed community help were shiftless or lazy. However, as the Nation became industrialized, the new economic order not only brought higher standards of living, better education, and less physical hardship, but also a new awareness that individuals were increasingly subject to the impersonal forces of a money economy.

The growing number of dependent aged persons and young children in the population also created new economic and social problems. The large, highly integrated, self-sufficient farm family was replaced by the smaller city family dependent solely on wages and increasingly subject to social strains that weakened family cohesion. Individuals and families became less able to provide for their own economic security in the face of hazards common to most people from time to time.

The mass unemployment of the early 1930's found the country ill-prepared to handle the destitution and suffering of millions that resulted when wages stopped. This helped to change the thinking of many people, for there was much evidence that destitution can result not only from personal inadequacies, but from forces over which the individual has little or no control. Increasing acceptance of the concept that it is morally wrong as well as economically unsound to let people go without needed help led to the planning that culminated in the passage of the Social Security Act.

The provisions of the public assistance titles of the act, reflecting respect for the dignity of the individual and recognition of his rights as well as of his responsibilities, helped the States to raise public assistance far beyond earlier relief practices. For example, the definition of assistance as a money payment, in contrast to the earlier usual relief in kind, leaves with the needy person responsibility, like that of others in the community, for deciding how best to use his income. Provision for a hearing before the State agency protects individual rights when a needy person has been denied aid or is dissatisfied with the amount of his assistance payment, or when his application has not been acted upon with reasonable promptness. His privacy is safeguarded by preventing disclosure by the agency of personal information for purposes other than the administration of the program.[1] Higher standards for the care and protection of needy people in institutions have resulted from the requirement enacted in 1950 that each State designate an authority responsible for establishing and maintaining standards for institutions in which recipients of federally aided assistance reside.

Strengthening Welfare Services

Clarification, through a 1956 amendment, of Federal financial participation in the costs of providing, in addition to financial aid, other staff services stimulated renewed and strengthened activities by the States in helping needy persons to find and use their own strengths and available resources to develop their potential for more satisfying and independent living. Although the extent and quality of welfare services being provided vary greatly across the country, heartening advances are being made in the number of people helped to greater self-sufficiency, some savings are resulting from decreased assistance costs, and the benefits of cooperative effort between public and voluntary agencies and other groups in the community are being demonstrated.

Services most generally provided have been in relation to health needs of children and adults, and in improvement of home conditions for children. For example, public assistance workers have increasingly provided or arranged for services that enable the needy aged or disabled per-

[1] Although modified in 1951 by an amendment that permits public inspection of the disbursement records, both the law and practice still affirm the principle that dependency should not subject assistance recipients to indignities or embarrassment. One State reported that the 386 requests made to inspect the assistance rolls between 1953 and 1958 resulted in the closing of only one case and the withdrawal of only one application.

son to remain in his own home and with his family and friends as long as possible. Some skilled workers have helped with more intangible but equally serious emotional problems. Projects in several States have arranged for specialized services and home helps that enable some aged persons in nursing homes and mental hospitals no longer in need of institutional care to return to normal living patterns in the community. Other projects, using a team including doctors, rehabilitation and employment counselors, and social workers to consider latent capacities and resources of handicapped individuals, have helped some disabled persons to become self-supporting or to embark on plans for at least partial rehabilitation.

Improving Medical Care Provisions

Measures designed to improve medical care provisions for the needy were also taken through amendments to the act in 1950, 1956, and 1958. Under the original act as passed in 1935, Federal financial participation in State expenditures for medical care was available only to the extent such costs were included in the monthly assistance payment to the recipient within the limits of the Federal maximum on the monthly assistance payment. A 1950 amendment broadened the definition of "assistance" to include vendor payments,[2] but the amount still had to come within the specified individual matchable assistance payment. Since the amount of medical care that could be thus provided was limited, some public assistance agencies used a pooled fund—a prepayment arrangement—into which a fixed monthly payment was made for each recipient, and from which was paid the costs of medical care for individual recipients, since the averaging of costs helped to some extent in meeting the higher medical care costs in individual instances.

To meet the increasing need for medical care and its higher cost, an amendment in 1956 permitted, in addition to the matching on individual money payments, separate Federal sharing in a State's total expenditures for vendor payments up to one-half of the sum of $6 times the number of adult recipients and $3 times the number of child recipients per month. Within several months, this additional Federal aid enabled 11 States with no previous statewide provision for medical care to begin to pay the cost of some medical services for the first time through vendor payments, and 11 others to expand their existing medical care provisions.

By January 1958, 36 States were using the vendor payment method for meeting costs of some items of medical care. However, relatively comprehensive medical care was provided under public assistance in only 10 States and in most of these, payments were made primarily for treatment services and included but little for preventive services. Some of the other States, for example, provided only for hospitalization in life endangering conditions.

Further effort, therefore, was made to increase the availability of medical care through an amendment in 1958 that changed the basis for Federal sharing in State expenditures to include the provision of medical care costs with other kinds of items in assistance payments within the new general averaging formula. The use of an average in determining the amount of the Federal share, which made it possible for States to receive matching for larger medical care expenses in individual cases, resulted in the development of provisions for making vendor payments for medical care costs by additional States.

By June 1959, 42 States had some provision in their public assistance programs for the payment of costs of medical care through the vendor payment, and all but two of the remaining jurisdictions provided for some items of medical care in the money payment to the recipient, although still within the limitations of the State's maximum on assistance payments. Nursing-home care, the item most frequently covered, was provided by 49 out of 54 jurisdictions (March 1960)[3]; 13 used the vendor payment method only, eight used both the vendor payment and money payment, and 28 used the money payment only. Hospitalization was also provided under public assistance programs in 34 out of 54 jurisdictions through vendor payments only; 7 of the other jurisdictions had other State systems of

[2] "Vendor payments" are defined as payments for medical care or other remedial care made directly to the suppliers of such services.

[3] The 54 jurisdictions include the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

hospital care available to needy persons or other known sources of care.

Strengthening Family Stability

Thus, the financial assistance, medical care, and other social services available under the provisions of federally aided public assistance programs in most of the 3,100 counties in the United States have contributed much to the strengthening of family ties that might otherwise have been scarred by anxiety and poverty or broken by separation of children from their home and parents.

The program of aid to dependent children has enabled the needy parent and child to remain together in their home, and has given the children an opportunity to grow up within their own family setting and to continue their schooling.[4] The mother or other relative caring for the children has been enabled to continue the rearing of the children and in other ways to carry the usual parental role in the family and community.

The other federally aided programs, through serving the needs of individual adults, have in many instances also contributed to family stability. The needy aged, blind, or disabled individual often has been enabled to remain at home and to continue to carry his usual role in the family; his presence undoubtedly has contributed much to the affection provided children within their own family setting and to the cohesion of the family group. Similarly, as contributing members of their families, most old-age assistance recipients have not had to seek the protection of old-age homes before custodial service became essential; the average age of applicants to homes for the aged is about 75.

GAPS, INEQUITIES, AND OTHER PROBLEMS

The twenty-fifth anniversary provides not only a benchmark by which to measure progress, but also a good place to stop and take stock of gaps, inequities, controversial areas, and other problems limiting the most effective use of public assistance in helping people to meet their essential needs when they are unable to do so themselves and no other resources are available to them.

Many Not Eligible for Assistance

Excluded from the federally aided public assistance programs are (1) the needy unemployed and the underemployed and their dependents, (2) the less seriously disabled, (3) the "not-old-enough" aged, (4) mothers of dependent children when the youngest child reaches age 18, (5) needy children in foster homes and in public or private institutions, (6) needy persons in nonmedical public institutions, (7) patients in hospitals for tuberculosis or mental diseases, (8) patients in medical institutions as a result of a diagnosis of tuberculosis or psychosis, and (9) needy persons who meet some, but not all, of the eligibility requirements established by the States, such as residence and "suitability of the home."

Some of these "excluded" needy persons—mostly temporarily or permanently unemployable persons—are aided by State and/or locally financed general assistance or institutional care. However, in 17 States, employable persons and their families cannot receive aid even when limited education, lack of job skills, or discrimination prevents their earning enough to live decently and healthfully; or when they are unemployed, even though they are ineligible for unemployment insurance or receive benefits too small to maintain them. In a few States, only some people in the direst circumstances can receive some assistance at some time. Nonresidents in most States are aided only in emergencies, and effort is made to return them to their State of residence as quickly as possible; only 14 jurisdictions have no durational residence requirement.

Thus, although general assistance aided 1.1 million in December 1959, there are still many persons throughout the country with serious financial needs for which no resources are yet available.

Assistance Payments Not Meeting 'Need'

Public assistance programs have come a long way during the past 25 years in providing more

[4] Reports from States indicate that 97.8 percent of the children aged 6–17 who were recipients of aid to dependent children were regularly attending school between October and December 1958.

help and in extending such help to additional groups of needy people. Federal, State and local governments have increased their expenditures substantially. But with rising costs and the shrinking value of the dollar, fewer than half the States are fully meeting "need,"[5] judged by standards they themselves have set. The other States either impose maximums on the monthly amount of assistance any individual or family may receive or meet only a specified proportion of need.

In some States the standards themselves are inadequate. They either have not been revised in content or priced recently enough to maintain their currency in providing generally accepted and validated essentials of living. Other inadequacies result from State policies for evaluating the resources of recipients—for example, counting as income expected contributions from relatives that fail to materialize.

Under general assistance in many States, limited funds and stringent standards applied in determining the degree of destitution that must exist before State and/or locally financed assistance is granted keep the number of people and the amount they receive at a level below payments in the federally aided programs. Excluding vendor payments for medical care, the average amount per recipient of general assistance in December 1959 was $25.09 compared with $56.70 per recipient of federally aided old-age assistance.

Inadequate Provision To Meet Medical Care Costs

Although considerable progress has been made by many States in providing for more medical care services for more needy persons, wide variation exists both among the States and among the categories of needy persons in the types and quantities of medical care provided through public assistance, as well as in the medical care available without charge from other State and local resources. Furthermore, medical care provisions in most public assistance programs include only a few medical services.

[5] "Need" is defined here as the gap in income between the total cost of living essentials set by the State and the individual's resources to meet that cost.

For example, a fourth of the 34 jurisdictions that provide for hospitalization through public assistance vendor payments restrict payment for such care to acute illness or injury. (Seven of the 20 jurisdictions without provision for hospitalization under public assistance have other State systems of hospital care or other known sources available to needy persons.) The amount provided for medical care within the money payment is also limited by the State's maximum on assistance payments.

Thus, average monthly expenditures per recipient for vendor payments for medical care in December 1959 were $11.16 for the disabled, $9.73 for the aged, $6.05 for the blind, and $1.77 for recipients of aid to dependent children. Comparable averages for recipients of general assistance are not available, though it is known that, in some areas, the expenditure amounts to only a few cents per person. In terms of today's high cost of medical care, it is evident that both in quantity and quality the unmet need is still considerable, since public assistance recipients include persons most in need of medical care and yet least able to pay for it. In the few States that provide fairly comprehensive medical care, average monthly expenditures per recipient of medical care are four to five times as high as the national average.

The rising cost of medical care services is of great concern to public assistance agencies in their efforts to keep a balance in expenditure of available funds between maintenance and medical care needs, as well as to other community agencies. For example, one State reported that one of its county health departments in a routine check of school children was not only concerned at finding a large number of children showing evidences of malnutrition but was also distressed to learn that most of these children were recipients of aid to dependent children.

To meet both medical care (including preventive and rehabilitative services) and maintenance needs more nearly adequately would require increased expenditure in many States. But there is little doubt that low income, malnutrition, untreated illness and debilitating chronic conditions create a vicious circle, with ultimately higher cost to the public and loss of independence for the individual. Until all people have income adequate for health and well-being, great social and hu-

man waste will occur—waste that affects not just those without enough income but the welfare of the Nation.

Inequity Between Provisions for the Needy Aged and Those for Dependent Children

The higher national average monthly payment, including vendor payments for medical care, of $65.86 for an aged recipient compared with the $29.02 payment per recipient of aid to dependent children (December 1959) may be related to some extent to the greater need of the aged for medical care and the availability of more care for them in many States. But undoubtedly it also reflects greater public acceptance of old age as a cause of dependency than of divorce, separation, desertion, or unmarried parenthood—the causes most frequently associated with dependency of the children receiving aid to dependent children—today, about 60 percent—of the caseload.

Even though there is evidence of social problems at all income levels, the concentration within aid to dependent children of families whose need is associated with socially disapproved behavior has increasingly made this program a target of criticism as more information has become available about the causes of dependency. Earlier concern related to families where the father deserted; more recently, attention has been focused on families where the father has not married the mother.

One in 25 of our Nation's children is illegitimate. The socially unacceptable behavior of the parents of the one in 200 who is illegitimate and in need has been widely publicized and used by some as the basis of proposed legislation and administrative regulations directed against aid to dependent children in general. Most of these legislative proposals have never become operative. But others, which indirectly control the assistance payment through eligibility conditions and low payments, have resulted in depriving already disadvantaged children of needed support and care. The focus of concern—the 1 in 8 children receiving aid to dependent children whose need is directly related to unmarried parenthood—while of grave significance, has tended to obscure the value of the program in sustaining hundreds of thousands of needy children and helping thousands of families to remain together—a sound investment in the moral and physical well-being of our growing generation.

The report, *Illegitimacy and Its Impact on the ADC Program*, prepared by the Bureau of Public Assistance at the request of a congressional committee and issued in April 1960, identifies the problem of illegitimacy as one that long preceded the establishment of public assistance programs, with causes deeper than the availability of financial aid. The report also cautions that it is no solution to the problem of the child or the community to deny assistance while leaving the child in endangering conditions and suggests that any lasting solution must deal with the causative factors and must move forward on many fronts.

In the meantime, as the report points out, aid to dependent children has an obligation to carry out the purpose expressed in law of providing financial aid and other services to strengthen family life. Financial aid for children who would otherwise go hungry is not an insignificant matter. Health and growth may be dependent upon it, and the future lives of children may be warped by its lack. Children also need a proper environment in which to grow up. When the child's own home can be preserved, help should be available to the mother in improving her ability to provide a proper home, in establishing the role of the father where possible, and in aiding the family to assume a normal role in the community.

Inadequate Provision of Other Social Services by Qualified Staff

The 1956 "services amendment" stimulated increased planning for the provision of other welfare services to help needy persons increase their capacity for self-care or self-support and to maintain and strengthen family life. However, because of staff limitations and heavy workloads, the States' services plans, in general, realistically defined their responsibility by limiting the problems for which services would be provided, limiting services to those required in the determination of eligibility for money payments, or limiting services to those that could be provided only during regular contacts for eligibility determination.

The States are increasingly aware of the importance of making staff time available for supportive services in addition to financial aid needed by many of the aged, the disabled and one-parent families. But high caseloads and lack of staff skills also limit the availability and quality of services that can be provided by most agencies, since this kind of help usually needs the knowledge and skill that comes from professional social work training. The fact that only about 2 percent of public assistance caseworkers have full social work training and only 15 percent have partial training reflects not only the nationwide shortage of social workers but also the lack of their attraction to public assistance jobs because of relatively low salaries (compared with those in other governmental and voluntary agencies), heavy workloads, and a complex of professional and clerical content in the job.

Although the "training amendment" in 1956 authorized additional Federal funds to help States to increase the number of persons qualified for work in the public assistance programs, no funds have yet been appropriated. In the meantime, alternative methods of increasing the competence of staff and making more effective use of the limited number of skilled staff are being explored. Some States have stepped up in-service training and, increasingly, agencies are granting educational leave under the 50-50 provision for Federal participation in administrative costs; 39 State agencies granted such leave to 402 staff members in 1959.

A LOOK TO THE FUTURE

Amendments to the Social Security Act in 1958 included a provision for the establishment of an advisory council to review the status of the public assistance programs in relation to old-age, survivors, and disability insurance, the fiscal capacities of the States and the Federal Government, and any other factors bearing on the amount and proportion of the Federal and State shares in the public assistance program. Their report, *Public Assistance—A Report of the Advisory Council on Public Assistance*, submitted to Congress on December 31, 1959, including recommendations that reflect the consensus of a 13-member group with wide diversity of backgrounds and interests, points up significant areas for further consideration. For, while most of the recommendations deal with Federal-State methods of sharing the financial burden of assisting persons in need, they do so with a focus on finding ways of meeting unmet needs, improving assistance standards, and strengthening family life. They recommend, for example, that—

Coverage be extended to all needy persons regardless of the cause of their need by:

a. using Federal grants-in-aid to encourage States to include additional needy persons, such as the unemployed, the under-employed, and the less seriously disabled (and to reevaluate exclusions now in the law specifically directed to needy persons in certain institutions and foster homes)—giving the States freedom of choice in determining whether to administer public assistance as a single program or as separate categorical programs, and suggesting several options: a single category for all financially needy persons, adding a new category of general assistance to existing categories, retaining one or more existing categories and consolidating remaining needy groups in a single category, or expanding existing federally aided categories to include additional needy persons;

b. expanding the aid to dependent children program to include any financially needy children living with any relative in their own home;

c. limiting the use of Federal grants-in-aid to State programs imposing no residence requirements for eligibility.

Standards of assistance be raised by:

a. creating greater public understanding as to what constitutes a level of living sufficient to maintain health and well-being, with Federal leadership in (1) the development of up-to-date budget guides for typical families, (2) requiring States to report on the relationship of their own budgets and actual payments in relation to these budgets, and (3) publishing the data received from the individual State reports;

b. extending the scope and improving the quality of medical care for which assistance payments are made without reducing money payments to recipients (through cooperative efforts of Federal and State governments and voluntary agencies, with greater Federal leadership and the help of a broadly constituted Medical Care Advisory Committee);

c. raising Federal maximums high enough so as not to hamper State efforts to provide assistance at levels adequate for health and well-being and to meet rising costs of basic living requirements and medical care;

d. raising Federal maximums for ADC to an equitable relationship with the other programs, with any differences reasonably related to differences among the groups in the cost and content of their living requirements; and

e. encouraging the States to apply the same assistance standards to all categories of needy persons and to ensure that similar treatment is accorded to persons in similar circumstances.

Individual and family life be strengthened by:

a. appropriating funds authorized by Congress in 1956 for research and demonstration projects relating to strengthening family life and the reduction and prevention of dependency;

b. establishing a national institute (comparable to the National Institutes of Health) to conduct studies and demonstration projects leading to strengthening of family life;

c. urging the Federal Government to encourage States to utilize appropriate available services of voluntary agencies, as well as involving them in studying problems of family disintegration and breakdown and in developing coordinated programs for strengthening of family life; and

d. assisting the States to increase the number of staff qualified to provide services needed by public welfare recipients to help prevent dependency and promote social rehabilitation by: (1) providing 100 percent Federal funds both to States for training public welfare personnel, and to accredited graduate schools of social work for training in strengthening family life and caring for the needs of the aging; and (2) encouraging States to establish and maintain salaries of public welfare personnel at levels required to obtain and retain competent personnel.

Other recommendations concerning fiscal and administrative operations included the confirmation of the "open-end" method of appropriating funds and the statement that the proportionate Federal share of total public assistance expenditures, including general assistance, for the Nation as a whole, should not be less than is currently provided under the Social Security Amendments of 1958. Measures were also recommended to extend coverage and increase social insurance benefits with a particular view toward reducing the need for public assistance. The Federal Government was also urged to encourage the States to establish appropriate advisory committees and in other ways to stimulate public interest and increase public knowledge of the role of public welfare programs, since "the more a community becomes a part of a public welfare program, the better it will be."

Title V of the Social Security Act: What It Has Meant to Children

by **KATHERINE B. OETTINGER***

SOMETIMES IT IS GOOD to pause and look back at 25 years of activity in behalf of children. Professional workers engrossed in programs of services to children often find their hopes outstripping their accomplishments—and for this reason experience periods of great frustration and deep discouragement. In looking back over 25 years, programs can be seen more clearly, both in terms of perspective and achievement.

The twenty-fifth anniversary of the Social Security Act gives us an opportunity to move back in time to the mid-thirties to see how and why the children's programs under Title V of the Act came into existence and the way they have moved in the intervening years.

Long before the depression which placed 8 million American children under 16 years of age on the relief rolls the severe toll that poverty and economic exploitation took of the lives and welfare of children were only too well known. The earliest studies of the Children's Bureau, dealing with infant mortality, showed that low earnings and high infant death rates went hand in hand. Later studies of juvenile delinquency revealed its association with poverty, bad housing, and demoralizing neighborhood conditions.

Various studies of the Bureau during the 1920's dealing with wages and standards of living showed that many families lived on a bare subsistence level with no means of saving for the proverbial rainy day. Others lived on such a small margin of safety that the first wind of adversity swept away their small savings and brought them to the verge of destitution.

Unfortunately, too, it was the children who paid the price of this lack of security. And since the effects of economic distress bore heaviest on the children, they reached far into the future.

*Chief, Children's Bureau.

BACKGROUND FOR CHILD WELFARE SERVICES

During the several decades before 1935, many voluntary agencies and a growing number of public agencies in many urban areas and a few States developed services for the care and protection of children who were neglected, abused, or abandoned by their families or whose families were unable to provide for them for a variety of reasons—illness, death, desertion.

Institutional care was giving way to foster family care in cities. Adoption programs, programs for the care of unmarried mothers, day-care centers—all these had begun in cities. But little of this kind of help existed in rural areas.

During the depression years, even the few existing child welfare services were sharply curtailed. This brought suffering to and endangered children.

By 1934, then, the urge was strong for Federal grants to help all States extend financial aid and welfare services to children, particularly to the rural areas where little had previously been provided. Thus, under the Social Security Act of 1935, the first Federal grant-in-aid program was set up to assist the States in the development and improvement of local public child welfare services.

MATERNAL AND CHILD HEALTH SERVICES: A CASUALTY OF THE DEPRESSION

Congress' first effort to assist the States with grants for maternal and child health purposes—the Maternity and Infancy Act of 1921—had been limited in time to the years between 1921 and 1929, and in coverage to health care in the maternity and infancy periods. The beginning of the great depression in 1929 had coincided with the withdrawal of these grants.

The work of the Society for the Prevention of Infant Mortality, predecessor of the American Child Health Association, had done much to make the country aware of the urgency of child health programs. The White House Conference on Child Health and Protection in 1930 had brought together a wealth of material for the use of professional health and welfare workers. That year, too, saw the establishment of the Academy of Pediatrics, with its basic objective of "correlating all aspects of work for the welfare of children which properly come within the scope of pediatrics."

In those years, also, modern concepts and new knowledge of child growth and development were beginning to emerge from psychiatric and child-guidance clinics and from the child-research centers in various universities.

But despite these hopeful developments, as the depression deepened in the early thirties, State and local health agencies found their funds for personnel and services severely reduced. In many States, child health programs built up under the Maternity and Infancy Act in the twenties were curtailed or abandoned.

By the fall of 1934, ample evidence pointed to the need for renewal of grants to States for maternal and child health programs and for the establishment of Federal aid for the care of crippled children.

THE SOCIAL SECURITY ACT

After Congress convened in January 1935, President Franklin D. Roosevelt asked it to lay the foundation for the development of safeguards that would prevent or at least reduce the effects of the major hazards threatening family life and individual welfare.

The recommendations presented by the President to Congress were in the form of a report representing months of study by the Committee on Economic Security—a committee appointed by the President and including the Secretary of Labor, Chairman; the Secretary of Agriculture; and the Federal Emergency Relief Administrator. This Committee had the assistance of a technical staff, a technical committee, an advisory council of which Grace Abbott, the second chief of the Children's Bureau, was a member, and several advisory committees, including an advisory committee on child welfare.

The Committee asked the Children's Bureau to assume responsibility for assembling the facts on child health and child welfare that should be considered in setting up a security program. These findings in turn were approved by the Committee and were eventually incorporated into the Social Security Act itself.

Title V as drafted included Federal aid for three types of work with children—maternal and

child health services, services for crippled children, and child welfare services—to be administered through the Children's Bureau. The measure was signed by the President on August 14, 1935.

PROGRAMS GET UNDERWAY (1935–40)

In getting underway—and in carrying out the three children's programs for which it was given responsibility under the Social Security Act—the Bureau in characteristic fashion turned to advisory groups for advice and guidance. In addition, special committees on various technical problems of the programs were appointed, for example, a special committee on maternal welfare and an advisory committee in training and personnel for child welfare.

The soundness of the planning and the dispatch with which the programs got underway were evidence of the value of the advice given to the Bureau by these groups. They helped the Bureau chart the course of these children's programs in the coming decades. The highlights of this story are told here.

Health Services

The Social Security Act of 1935 established a new landmark in the development of health services for the mothers and children of the United States.

Maternal and child health.—Title V, part 1, authorized a total annual appropriation of $3 million for maternal and child health work. Funds were to be used to extend and improve services for promoting the health of mothers and children, especially in rural areas and areas suffering from severe economic distress.

The funds granted to the States for maternal and child health services were used, under the administration of the State health departments, to pay for physicians, dentists, public health nurses, medical social workers, and nutritionists, to help mothers and children living, for the most part, in rural areas. These mothers and children were reached through prenatal and child health clinics held in centers accessible to them and through school health services. Many others were reached through home visits by public health nurses.

Some few mothers and children were given medical and hospital care, but the program as set up by States in the first years was primarily one to develop preventive health measures and training professional personnel rather than actual medical or hospital care.

In the years 1936-40, many changes in program occurred. The scope of service widened to include demonstrations and special projects showing how new knowledge could be put to work. Improvement of maternity care and care of newborn infants was progressive, and special programs for the care of premature babies developed training centers. All the States used some of their funds for the training of professional personnel to provide these services.

From the start the maternal and child health programs under the Social Security Act gave the Bureau an opportunity to work with States in planning special projects and programs aimed at the conditions and circumstances affecting infant and maternal mortality.

This was possible because the act called for demonstrations to be part of the program in each State, and part of the funds given to each State was granted without matching requirements. With these funds the State frequently undertook new work, developed experimental programs that were not possible with their State and local funds.

Crippled children's services.—The program for crippled children was the first program of medical care based on the principle of continuing Federal grants in aid to the States. Title V, part 2, provided Federal grants for extending and improving services to crippled children. The total appropriation authorized was $2,850,000.

The first step in the operation of the crippled children's program as set forth by Congress was to find the children. The injunction was unusual. The Federal Government was saying in effect, do not wait for these children who need care to be brought to you; find them—wherever they may be—and bring them in. All States arranged for clinics to be held throughout the State, either at an itinerant or permanent base; diagnostic services were made available to all children.

The variety of care that had to be coordinated was complex since the care of children with

crippling conditions is complex—medical, health, nursing, medical-social, physical and occupational therapy and psychological services, and care in hospitals, clinics, and private offices.

From the earliest days of the program, there was injected the concept of treating the whole child rather than a paralyzed arm, a damaged heart, or a "case" of deafness or epilepsy. As a corollary, there developed the concept of care by a team of professional workers, including doctor, nurse, social worker, therapist, psychologist, nutritionist, and educator.

These programs were administered in each State by an agency designated by the State—in about three-fifths of the States by State health departments.

From the beginning, State programs accepted handicapped children who needed orthopedic or plastic treatment. But as understanding pushed back boundaries and as additional funds became available, States broadened their interpretation of crippling conditions. Gradually the State programs were directed toward one objective—physical, social, and emotional restoration of the crippled or handicapped child.

In 1939 Congress made additional funds available for crippled children's services, with the understanding that part would be used to assist States in developing programs for the care of children with rheumatic heart disease. Ultimately special projects were started for the care of these children in some 29 States. The programs started in 1939 and 1940 were the forerunners of many types of special projects that extended and strengthened the crippled children's program.

Child welfare services.—Title V, part 3, of the act authorized an annual appropriation of $1.5 million to be made available to the States for "establishing, extending, and strengthening, especially in predominantly rural areas," child welfare services for the protection and care of "homeless, dependent, and neglected children and children in danger of becoming delinquent."

Some States with no pattern of public programs for child welfare in 1935 had to start from scratch. A few States had the beginnings of a program of public services to children. These built on what they had, improving the quality or coverage of service.

The Bureau started by calling together the available leadership to consider what the first steps should be in getting the program underway. The group that was called together first, later became an advisory committee on community child welfare services.

Later in 1936 a representative group of faculty members from the schools of social work was appointed as an Advisory Committee on Training and Personnel for the Children's Bureau and the Bureau of Public Assistance and continued to advise the Bureau for many years. Later the last committee was expanded to include staff of public welfare agencies. These groups were instrumental in shaping the direction of the public child welfare program.

These leaders stated, strongly and unanimously, that the most important requisite in services to children was competent personnel. They urged that the child welfare services funds be spent primarily for the employment and training of staff.

So it was that soon after the passage of the act, States began using child welfare services funds for graduate training in social work of child welfare personnel. This marked the first use of Federal funds by public welfare agencies for the professional education of staff.

By March 15, 1938, 45 States, Alaska, Hawaii, and the District of Columbia were cooperating with the Bureau in this area.

Who were the children and the families for whom these State programs were designed?

Some of the children were in difficulty in their own homes or in their own neighborhoods; some were handicapped children; some were children in jails or known to the juvenile courts; some were children in institutions for the care of delinquent or dependent children.

Some were boys and girls for whom a foster home had to be found because of neglect, sickness of the parents, delinquency, or dependency. Some were unmarried mothers; some were couples who had no children and wanted to adopt a child.

Many States and communities turned to the Bureau for special help and advice on the adequacy of care provided juvenile delinquents.

The 1937 report of the Bureau described typical requests from States or localities for consultative service received during the year in the area

of juvenile delinquency. These requests were concerned with the adequacy of care provided for juvenile delinquents, planning community programs for the prevention and treatment of delinquency, and juvenile court legislation and administration.

GRANT-IN-AID PROGRAMS DURING WORLD WAR II

War disrupted the lives of families and of children—and, as was inevitable, the programs of services for them under Title V. The Bureau did what it could to cushion the effects of the emergency on children by adapting its programs.

Health Services

Fortunately, grants to States for maternal and child health and crippled children's services had been increased somewhat in 1939.

Maternal and child health.—Because of the withdrawal of doctors and nurses from communities into the Armed Forces, the main problem faced by the States was to replace personnel as they left, when possible, and through reorganization of these programs to enable the limited personnel remaining to serve larger numbers of mothers and children.

Maternal and child health programs beginning in 1942 and 1943 showed decreases. Medical services rose slightly during the early years of the war and then by 1945 fell to levels below those of 1940. Nursing services rose during the early war years and then turned downward.

The most important development for these programs during this period was the emergency maternal and infant care program. Early in 1941 State health departments asked the Bureau to approve use of maternal and child health funds for the maternity care of wives of servicemen. The Bureau agreed, and in August 1941 the program got underway. But requests from State health agencies soon outstripped the funds available.

The Children's Bureau then appealed to the Bureau of the Budget in August and September 1942 for funds for emergency maternity and infant care, to be administered by the State health agencies under the provisions of the maternal and child health program of the Social Security Act. This item was included in the first deficiency bill when Congress convened in 1943.

Congress unanimously approved the measure. In March the bill was signed by the President and became a law. The money appropriated was to cover the cost of medical, hospital, and nursing care for wives and babies of men in the four lowest pay grades of the Armed Forces.

The program was called emergency maternity and infant care—EMIC for short—the largest public maternity program ever undertaken in the United States.

Under this program, wives of servicemen in the 4th, 5th, 6th, and 7th grades of all services and aviation cadets were provided, without cost to them, with medical, nursing, and hospital care throughout pregnancy, at childbirth, and for 6 weeks thereafter. Hospital care was paid for at ward rates.

The babies of these servicemen were also eligible for medical, nursing, and hospital care if sick any time during their first year of life.

From the beginning of the program through the end (June 1949), 1,222,500 mothers were given maternity care and 230,000 infants received medical care at a total cost of $126,922,316.

Crippled children's services.—The effects of the war were keenly felt in services for crippled children through spiraling costs, the withdrawal of surgeons, nurses, and physical therapists for service in the Armed Forces; shortages in hospital facilities and services; difficulty in arranging transportation to clinics, hospitals, and convalescent homes; and restrictions on the manufacture of metal appliances.

As a result, decreases in crippled children's services occurred each year. Fewer crippled children received care in clinics, hospitals, and convalescent or foster homes, and public health nursing and physical therapy services declined. Although toward the end of the war these services were once again increasing, they still had not reached the high point of 1940-41.

Child Welfare

Many social problems affecting the lives of children were created or intensified by the dis-

locations of family and community life growing out of wartime conditions.

The absence of millions of fathers in military service and the increased employment of mothers outside the home were the greatest causes of family dislocation. Children in migrating families were exposed to abnormal family and community life in war-congested areas. Adolescents were restless and under tension, and many left home to seek employment. Juvenile delinquency was on the increase everywhere.

State public welfare departments used child welfare services funds to provide special staff to deal with wartime child welfare problems. For example, a number of States developed special projects for the study and prevention of juvenile delinquency, using special consultants on the State staff, workers assigned to State training schools, and to local areas to work on the control of juvenile delinquency. More than half the States added workers to the staff of State and local public welfare departments to meet demands for consultation services in the development of community day care programs.

The problem of securing personnel was serious throughout the defense and war years. To meet the problem of staff shortages and turnover, State public welfare agencies increased their staff development programs both through in-service training and through educational leave for professional training.

The widespread need to extend and adapt child welfare programs to meet the wartime problems of children and youth brought increased requests to the Bureau for consultation from State public welfare departments, law-enforcement agencies, national and local private agencies, defense council committees on children, and citizens' groups.

THE DECADE 1946–55

For the Bureau the first years of the period 1946–55 were spent in shifting from intensive wartime activities to a program of on-going permanent activities.

Throughout this decade all aspects of the Bureau's program were colored by the great rise in the child population following the high birth rate during World War II and by the growing tensions among people, reflected so obviously in the lives of children—tensions arising from the Korean War and from the unknowns and uncertainties of the new atomic age.

During this decade, States and localities extended and broadened their activities in the three grant-in-aid programs. As the total amount for Federal grants increased from 1946 to 1955, the proportion of funds expended by States and localities increased in all three grant programs.

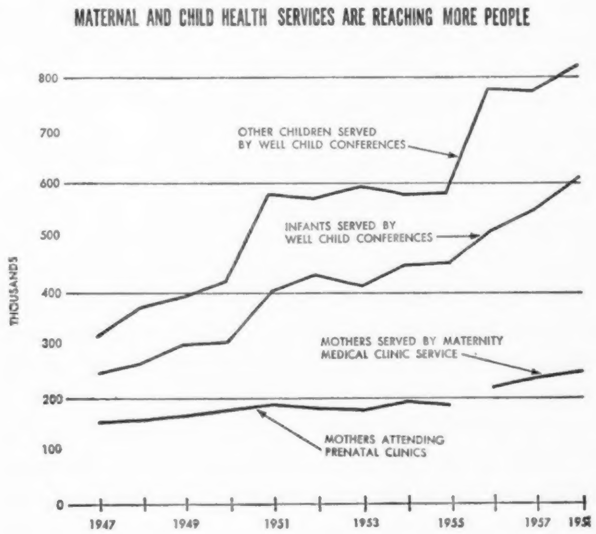
Health Services

Great progress was made during these years in the maternal and child health and crippled children's programs, although the shortage of physicians to undertake the administration of these programs—physicians with both clinical and public health training—plagued both programs. There was a shortage, too, of many other professional workers essential to the programs.

Maternal and child health.—While the maternal and child health program remained primarily one of preventive health services, during this decade many State health agencies added medical and hospital care of certain mothers and children.

The principal developments during the decade were the increase in the demonstration programs and other activities in behalf of prematurely born infants, the increase in programs for the

CHART 1.—*Maternal and child health services under the Social Security Act, 1947–58*



postgraduate training of personnel, and much emphasis on the emotional growth of infants and children and the parent-child relationship.

During this decade child health conferences were broadening their scope to include the mental health aspects of child growth and development. They were being directed more and more toward helping parents with early social and emotional difficulties in their children in order to prevent more serious problems later.

Special projects for the care of premature babies were doing a pioneering job in showing how the lives of these undersized and underdeveloped infants, who weigh less than 5½ pounds (2,500 grams) at birth, could be saved and safeguarded. Many States were concentrating on providing actual care for premature infants in hospitals with special equipment and with specially trained doctors and nurses.

States were giving greater attention to prenatal care, particularly for mothers with complications of pregnancy, in an effort to reduce the incidence of prematurity. States were also doing much to further the development of health services for children of school age by increasing their efforts to coordinate services of health and education through joint planning at the State level.

Great progress was made during the decade in providing training for physicians in maternal and child health work by certain schools of public health (Harvard, California, Johns Hopkins, Pittsburgh, North Carolina, Minnesota) and for nurses in maternal and child care by a number of schools of nursing. Special opportunities were made available for training in highly specialized clinical and health fields, such as audiology, the treatment of rheumatic fever and congenital heart disease, epilepsy, cerebral palsy.

Crippled children's services.—During the years 1946-55, State crippled children's agencies steadily broadened their program to include children with handicaps other than orthopedic.

Conditions, in addition to orthopedic, receiving special attention in State programs during the decade included cerebral palsy, eye disorders amenable to surgery, cleft palate, burns, hearing impairment, rheumatic fever and rheumatic heart disease, congenital heart disease, epilepsy, and orthodontic defects.

The principle that the best type of treatment for a handicapped child requires a team of professional workers became more and more the rule. Physician, nurse, psychologist, medical social worker, physical therapist, teacher, and others as required pooled their knowledge and efforts to provide treatment that would restore the child to the fullest health and activity of which he was capable.

Increasingly, ways were being sought and found to allow handicapped children to mingle with and go to school with other children; to learn from their earliest childhood to accept their handicap and to play, learn, and grow up with their childhood peers; not to expect special attention beyond what their individual handicap called for; and not to be set apart as a special group.

The great research findings of the decade were being applied in the crippled children's programs and made available to children in rural areas through the development of preventive and treatment services for children's hearing impairment, special programs for children with epilepsy, and regional and State centers for the surgical treatment of children with congenital heart disease and for postgraduate training in these specialties.

Among the newest of the special projects granted funds under the crippled children's program in 1954-55 were those in California and Michigan for the development and use of artificial hands and arms, available hitherto only to adults.

Child Welfare

This decade (1946-55) was a period of steady building for child welfare programs in the States. States were examining their legislation concerning children and organizing and strengthening services—adoption, licensing, services to children in their own homes, and foster care.

The number of adoptions and the pressures for children to adopt grew. Public and voluntary agencies began to reexamine their practices in this area.

Public and voluntary agenices were also working together on community planning for child welfare. Of course, community planning for

child welfare was not a new trend in this decade. Rather it represented a stepped-up momentum in a trend that got underway during the first decade of the child welfare programs under the Social Security Act. The act itself had recognized the importance of such planning—and this had been reiterated over the years by the various advisory groups of the Bureau—and in 1950 Congress reaffirmed the importance of community planning for child welfare by the following proviso: ". . . in developing such services for children the facilities and experience of voluntary agencies shall be utilized in accordance with child care programs and arrangements in the States and local communities as may be authorized by the State."

Federal child welfare services funds continued to be used for training personnel during this decade. The goal for the States continued to be a staff with 2 years of such professional education—a goal that could not be attained in the immediate future.

Foster care of children, both in foster family homes and institutions, was one of the heaviest responsibilities of State and local public welfare agencies both in terms of numbers of children and expenditure of public funds. The majority of these children were cared for in foster family homes. The number of children receiving foster family care under public agency auspices increased from 49,000 in 1933 to 123,000 in 1955, or 151 percent.

Since 1946, and particularly since 1950, States have used a small part of their Federal child welfare services funds to pay for the support of children in foster care to meet special needs. A few expenses involved in returning runaway children to their homes were met with these funds beginning in 1950 when this use was specifically spelled out in an amendment to the Social Security Act.

Beginning in 1952, a committee of staff from the Children's Bureau and the Bureau of Public Assistance was set up to help States in providing more adequate services to children in families receiving payments under the program of aid to dependent children.

An important trend in group care was the development of small group homes in the community for adolescents who could not take root in foster family homes and children who needed temporary shelter. Specialized group facilities were also being developed for emotionally disturbed children.

TO THE MIDPOINT OF THE THIRD DECADE

The first 5 years of the third decade brought the problems of certain groups of children to the fore in all the Bureau's grant-in-aid programs. Among these were the adolescent, the children of migratory workers, mentally retarded children, and children placed independently for adoption.

The Nation as a whole was concerned about juvenile delinquency because of its tragic consequences for the young person and his family, its contagion among young people, and its social and economic cost to the community.

The Children's Bureau was giving particular attention to the problems of delinquent children through its new Division of Juvenile Delinquency Service. In August 1954, Congress had given a supplemental appropriation of $75,000 to the Bureau to enable it to expand its services in juvenile delinquency. In October, the Secretary of the Department took the first step in this direction by authorizing the creation of a Division of Juvenile Delinquency Service in the Children's Bureau.

This new division was set up to provide technical assistance to public and voluntary agencies and to develop standards, guides, and methods relating to various types of service and care for delinquent children.

Maternal and child health.—Special emphasis continued to be given to the development of programs for the mentally retarded child. Since 1955, the number of States with programs for mentally retarded children has grown from four to 44. Thirty States in the fiscal year 1959 were using these special project funds to help finance mental retardation programs, and 14 States were using either their own or regular maternal and child health grants to finance such projects.

Progress was made in 1958–59 in extending geographically and in strengthening and improving services for mentally retarded children by the recruitment and training of professional staff and by better integration of these services into overall maternal and child health programs and

with other community facilities. Clinic teams were enlarged in order to reduce the backlog of cases awaiting diagnostic evaluation. Several States planned for the early detection and treatment of specific causes of mental retardation, such as phenylketonuria, in which prevention is possible.

Developments in the field of mental retardation throughout this period were once again proving the validity of the "team" approach in children's services.

Accidents are the chief cause of death in children aged 1–18. Since the temporary and permanent disability from accidents affects a much larger number of children than of adults, maternal and child health and crippled children's programs were devoting greater attention to educational efforts directed toward prevention of accidents, to studies of childhood accidents, and to poison control. In 1957, more than 15,000 children received physicians' services in the crippled children's program because of accident, nearly one-third of them because of burns. In at least two regions, conferences on accident prevention—sponsored by the Public Health Service in cooperation with the Children's Bureau—were held.

Adaptation of maternal and child health services to the health needs of migrants was the focus of a special migrant project in Florida during 1958. Family clinics were held during evening hours after the work was finished. Mothers and fathers were seen by a physician; at the same time a pediatrician examined the children.

Provisions for Indian children represented an area of expanded activity for a number of State maternal and child health programs. These were developed cooperatively with the Indian health services.

One unfortunate aspect of increasing numbers of hospital deliveries, of overcrowded and inadequately staffed nurseries, and of increased use of antibiotics has been the emergence of antibiotic-resistant staphylococcal infections.

The concern of maternal and child health programs in this connection has been primarily with the control of staph infections in newborn nurseries. State health departments were approaching the problem in a variety of ways, through hospital consultation and consultation with the professional disciplines concerned.

For many years, the infant mortality rate for the United States decreased steadily. But in 1957, for the first time in 20 years, an annual increase occurred in the infant mortality rate of more than 1 percent. In 1958, a further rise occurred. This break in progress in conserving infant life was of great concern to those administering maternal and child health programs. Neonatal mortality also advanced about 3 percent annually, both in 1957 and 1958, compared with 1956.

State health departments reported that the percentage of infants under age 1 in our population who were served by well-child conferences had doubled since 1945, rising from 7 percent to 14 percent. Because of the large numbers of families seeking such services for their babies, often some sacrifices in quality of care had occurred. A number of health departments were greatly disturbed that, because of clinic overcrowding, physicians could spend so little time with mother and baby.

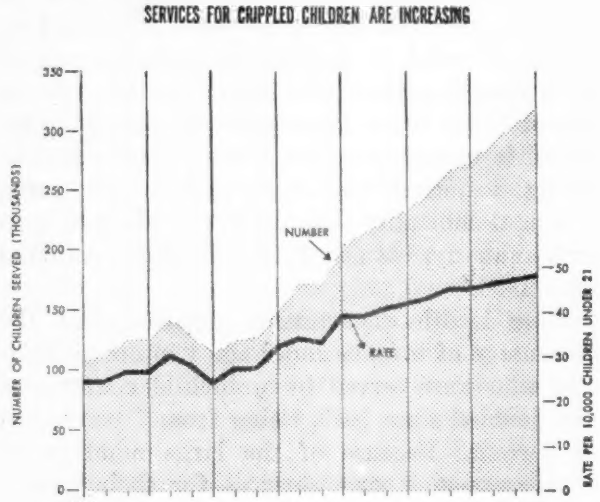
These service problems were generally more acute in central cities, especially where the composition of the population had changed and where middle- and upper-income groups had moved to suburban counties, leaving a large proportion of lower income population levels in the city.

While 71 percent of the infants served in well-child conferences received these services in metropolitan counties, only an insignificant share of Federal grant-in-aid funds were distributed to cities. The problems of financing health services and medical care were becoming increasingly difficult, with a greater proportion of the population dependent on public resources for these services.

The early discharge of mothers and infants from large municipal hospitals also pointed to the need for more comprehensive supplementary community services and for services to selected mothers and their infants in their own homes, such as public health nursing follow-up and homemaker service.

On the basis of figures furnished by the States, the Children's Bureau in the fall of 1959 estimated that about 1 child in 3 in the population under age 21 had been immunized against polio through maternal and child health programs. In 1956–58, a total of 22,000,587 children under

Chart 2.—*Services for crippled children under the Social Security Act, 1937–58*



age 21 received the basic series of polio immunization through these programs.

Crippled children's services.—A new peak was reached in 1957 in the number of handicapped children served under federally aided programs. Of the 313,000 children cared for during the year, 246,000 were seen in clinics; about 66,000 received physicians' services through home or office visits. About 52,000 children were hospitalized. Convalescent home care was given to the smallest group, around 3,700.

By 1958, some 325,000 children were receiving medical service under the crippled children's program—4.8 per 1,000 of the population, or twice the rate in 1937.

Orthopedic handicaps now constitute only about 50 percent of the diagnostic conditions.

During this period (1956–60) one of the major interests of the Bureau was to help children with congenital heart disease to benefit from heart surgery.

Some 50,000 infants are born each year with some form of congenital heart disease. The vast majority of these can be given normal life expectancy through the new kinds of surgery.

The number of children with congenital heart malformations served under the program went up from 2,200 in 1950 to 12,000 in 1958. It was because of this rapid expansion that Congress granted the Bureau's request for $1.5 million in supplemental funds to be used during 1958 and 1959 to finance the program.

In the summer of 1958, the Children's Bureau and the Prosthetics Research Board jointly sponsored a conference at the Michigan Child Amputee Center where directors of 12 major child amputee clinics in the country agreed to participate in a nationwide program for testing prostheses used for child amputees.

This testing project is being evaluated by the New York University College of Engineering, which has received a Bureau grant for its support. The project is moving ahead in an effort to get the best possible answers to such questions as the best age to fit a baby with an artificial hand, how to use a suction socket leg for children under age 12, and how best to use a preflexed arm for child amputees.

Another significant development during 1958–59 is the trend toward the establishment of diagnostic and treatment centers for children—especially for children with multiple handicaps—in outpatient departments of teaching hospitals. These centers are based in the pediatric department but available to the centers are all medical specialties—medical social work; nursing; psychology; physical, occupational, and speech therapy; and a variety of other disciplines, including special education.

Several States were beginning to develop services for children with nephrosis, cystic fibrosis, and other metabolic and degenerative diseases in which the prognosis can be materially improved through early recognition, continuous and proper medical treatment, and follow-up.

Child welfare services.—By 1960 many States had made real progress toward a well-rounded child welfare program. But no State has as yet completely achieved the goal of services in the variety and quality required to meet the needs of all children.

The services in many States still had too narrow a legal base, and the structure and organization of them in many States left much to be desired.

On June 30, 1959, more than 7,000 full-time public child welfare employees in professional positions were providing services to 364,300 children. Forty percent of these were in their own homes or in the homes of relatives, 43 percent were in foster family homes, 17 percent were in institutions or elsewhere.

The use of educational leave had grown to the point that practically every State was using Federal funds for this purpose. About 10 percent of the $13 million allocated to States for child welfare in 1960 was used for educational leave.

The most significant amendments to Title V, part 3, were made in 1958. They lifted the restriction on the use of Federal funds to rural areas, so that funds can now be used by the States where needed. At the same time the authorization was raised to $17 million, and Guam was brought into the program.

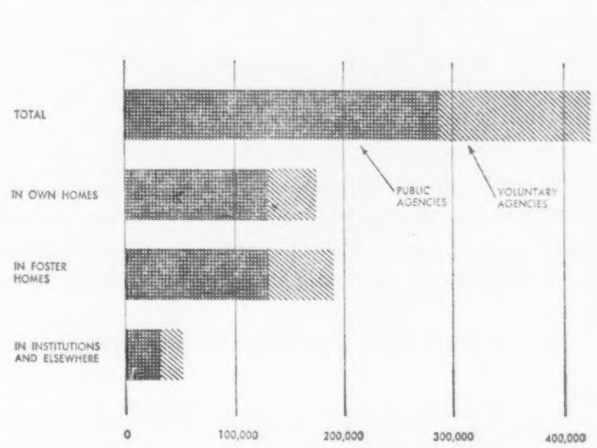
The 1958 amendments also brought a change in the way funds were to be allotted to the States. They also provided for the first time that Federal child welfare services funds, beginning July 1, 1960, were to be matched by the States. This matching was to be done on a variable basis related to per capita income so that poorer States receive a larger proportion of Federal funds in relation to their expenditure for child welfare.

The 1958 amendments also provided for an Advisory Council on Child Welfare Services to study the services provided under Title V, part 3, and to make a report to Congress and to the Secretary of Health, Education, and Welfare on or before January 1, 1960.

The Council appointed by the Secretary consisted of 12 persons, including representatives of public, voluntary, civic, religious, and professional welfare organizations and of the public.

During the course of its deliberations, the Council with the assistance of the staff of the Bureau gathered information from all the State public welfare agencies and from national voluntary child welfare agencies.

CHART 3.—*Children receiving child welfare casework services from public welfare agencies and from voluntary agencies, 1958*



Some of its recommendations to be implemented require changes in laws, some deal with the 1958 amendments to the Social Security Act, one urges Congress to expand the personnel and financial resources of the Children's Bureau so that it can more adequately discharge its functions.

The focus of child welfare services over the years has shifted from care of children away from their own homes to working with parents to prevent the breaking up of homes.

This change reflects one of the most significant trends in the child welfare field—the emphasis on the preservation and strengthening of the family—and it is a trend sweeping on into the future.

Child welfare agencies are reaching out with services to special groups of children—the mentally retarded, the emotionally disturbed, the neglected and abused, the delinquent, the children of migrant workers.

Many more children than previously are able to remain in their own homes with their own parents. Others are finding permanent homes through adoption.

Only 47 percent of the rural counties have public child welfare workers. The net effect is a major discrimination against rural children in terms of these services.

In 1957 and 1958, the Bureau concentrated on finding ways to bring doctors, lawyers, and social workers together in planning more adequate services for unmarried mothers and in identifying the respective roles of these professions in adoption placements.

Child welfare agencies are seeing more children with complex problems. On the other hand, fewer children are coming to the attention of these agencies because of problems stemming primarily from inadequate income.

More and more cases of neglect and abuse are being referred to child welfare agencies. Children appear more seriously disturbed than ever before.

THE ENTIRE STORY of the programs under Title V of the Social Security Act would take many volumes to recount. Here we have presented

some of the highlights of the many developments in these programs.

The three programs have some things in common. In all of them, the most consistent trend has been toward broadening the services to meet the needs of special groups of children.

All three programs consistently have carried the torch for higher standards of care and services of better quality.

The three programs have reached out to hard-to-serve groups—children in isolated areas, children with special problems, children requiring specialized services.

More and more the programs have stressed the preventive aspects of their services.

All have consistently struggled to improve the quality and skills of the workers as well as their numbers. Often only the high purposes and strong will of those administering and carrying on the services have made it possible to keep services from eroding in quality.

The programs have been responsive to new knowledge, new treatment, and new facilities. They have kept their services in tune with the changing pace and circumstances in the lives of families and children in the Nation.

Twenty-five Years of Unemployment Insurance in the United States

by R. GORDON WAGENET*

INTEREST IN UNEMPLOYMENT insurance legislation in the United States first appeared long before the enactment of the Social Security Act, but it took the most severe depression in the Nation's history and the encouragement of State action through the Social Security Act before unemployment insurance became a reality throughout the land.

In 1931, when unemployment reached 8 million or 16 percent of the labor force, 52 bills for compulsory unemployment insurance were introduced in 17 State legislatures, but only in Wisconsin was an unemployment insurance law enacted (in 1932) before congressional consideration of the Social Security Act. Within 2 years after the adoption of the Social Security Act in 1935, all 50 States and the District of Columbia had approved unemployment insurance laws. By 1939, all State unemployment insurance laws were fully operative and were paying benefits to eligible unemployed workers.

THE FEDERAL-STATE SYSTEM

The Social Security Act did not establish a system of unemployment insurance in the United States. It provided an inducement to the States to enact unemployment insurance laws. It levied a tax on the payrolls of employers of eight or more workers in commerce and industry and provided that if a State enacted an approved unemployment insurance law, subject employers could offset, against the Federal tax, contributions under the State law up to 90 percent of the Federal tax. The tax was 1 percent of payrolls in 1936, 2 percent in 1937, and 3 percent in 1938 and thereafter.[1]

The Federal tax removed one of the major obstacles to State action. No longer did a State fear that its unemployment insurance law would place its employers at a competitive disadvantage with employers operating in a State without such a law.

The Federal-State partnership provided in the

*Formerly Assistant Director, Bureau of Employment Security.

[1] Since 1939 only the first $3,000 of annual wages paid to an employee by an employer is subject to the tax.

Social Security Act limited the role of the Federal Government in the unemployment insurance program to policies designed to protect the integrity of the system. The financial security of the State funds collected is safeguarded by requiring that each State deposit the contributions it collects in the unemployment trust fund in the U. S. Treasury. A separate account must be kept for each State from which the State may withdraw funds only to pay unemployment benefits.[2]

The Federal Government also assures adequate funds for administering the 51 separate State systems, regardless of the State's financial resources, by paying all State administrative costs. Funds for this purpose are appropriated each year by Congress, originally out of general tax funds but since 1954 out of the proceeds of the earmarked Federal unemployment tax.

In addition, the State laws and administration must meet certain requirements if employers are to receive tax-offset credit and the States are to receive administrative grants. The State must have methods of administration that will assure full payment of benefits when due. All State laws and administration must provide that individuals whose claims to benefits are denied be given an opportunity for a fair hearing before an impartial tribunal. Benefits cannot be denied to a claimant if he refuses to accept a job under certain conditions designed to protect standards of prevailing wages, working conditions and union affiliation.

The Federal act also requires that all benefits are to be paid through public employment offices or such other agencies as the Federal Government may approve. No other agency has ever been approved by the Social Security Board, where Federal responsibility for unemployment insurance was first lodged, or by the Department of Labor, which since 1949 has had responsibility for both the employment service and unemployment insurance. All State laws require that, as a condition of eligibility for benefits, all claimants must register for work at the public employment office and continue to report in accordance with the agency's regulations. By this means, a close relationship between the employment service and unemployment insurance was made certain.

The establishment of a Federal-State system of employment offices had predated the Social Security Act by 2 years. In 1933, Congress had enacted the Wagner-Peyser Act as the first organized step in its attack on the unemployment problem. The organization of the employment service and unemployment insurance at the Federal level under the same administrative head was made effective in 1939, by Presidential action. Most States adopted a similar organization. Since 1941, the Federal Government has also provided complete financing of the State employment services.

The States have both policy and operating responsibilities for the program. Within certain limitations, the States have the responsibility of determining what kind of unemployment insurance law they want, what the coverage and contribution rates shall be, what amount and duration of benefits shall be paid, and what the eligibility requirements and disqualification provisions shall be. They also directly administer the State laws—collecting contributions, taking claims, determining eligibility, and paying benefits to unemployed workers.

GENERAL CHARACTER OF UNEMPLOYMENT INSURANCE LAWS

Although the State unemployment insurance laws differ in very many respects, in general they follow a similar pattern. Coverage is usually limited to employment covered by the Federal act, but a number of States have extended coverage beyond these limits. Unemployment benefits are available as a matter of right to unemployed workers who have demonstrated their attachment to the labor force by a specified amount of earlier work or earnings in covered employment. To be eligible for benefits the worker must register for work with the employment service, file a claim for benefits, be able and available for work, have served a waiting period, and not be disqualified for benefits. Benefits are generally set at about 50 percent of past earnings, subject to a maximum amount. In 12 States, additional benefits are provided for dependents. Duration of benefits is either uniform for all eligible claimants or variable, depending on the amount of past earnings.

[2] A 1946 amendment provided that employee contributions to the unemployment trust fund could be withdrawn to finance cash sickness benefits.

Unlike the old-age, survivors, and disability insurance program, State unemployment insurance benefits have been financed almost entirely by employer contributions. Only 10 States ever collected contributions from employees, and only in three States (Alabama, Alaska, and New Jersey) are employee contributions still collected.[3] Employer contributions were originally set at 2.7 percent of payrolls (90 percent of the Federal tax), but in all States these contributions have been varied, depending on experience-rating provisions in the State laws.

THE CHANGING ROLE OF UNEMPLOYMENT INSURANCE

Since the beginning of the program (through 1959) $27.1 billion has been collected in contributions, $23.5 billion paid out in benefits, and $3.0 billion in interest collected on accumulated funds. On June 30, 1960, about $6.7 billion was available for future benefit payments. During this period, the program has played a varied role in the economy, responsive to changing economic conditions.

In 1938, when benefit payments began, more than 10 million persons—almost 20 percent of the labor force—were unemployed, and many of them were completely outside the system because they did not have sufficient covered employment to be eligible for benefits. In 1940, when benefit payments were fully operative in all 51 jurisdictions, average monthly employment in industries covered by the program was 23 million and about 5 million persons received benefits during the course of the year—a level not reached again until the recession in 1949. Because many workers had had irregular employment before becoming unemployed and because many were unemployed longer than the very limited duration of benefits permitted under the State laws, about half the beneficiaries exhausted their benefits. In no succeeding year until 1958 did as many as 2.5 million persons exhaust their benefit rights.

[3] In California, New Jersey, and Rhode Island, part or all of the employee tax originally collected for unemployment insurance purposes was used to finance the temporary disability insurance law.

Wartime Experience

Almost immediately after benefit payments were effective in all 51 jurisdictions, the defense program got under way and the country began to convert its vast economic machine to war purposes. The war period brought expanding employment. Many women, youths, and older persons entered the labor force. Unemployment almost disappeared. Instead of mass unemployment, the country was faced with tremendous shortages of skilled labor as men left civilian work for the Armed Forces. Major emphasis shifted to the job of the employment service in mobilizing manpower for the all-out war effort, In 1942, at the request of President Roosevelt, all States transferred their employment services to the United States Employment Service in order to provide maximum utilization of the Nation's manpower.

In 1944, only 530,000 persons drew unemployment insurance benefits and the number exhausting benefits declined to 100,000. Benefit payments fell to $62 million, only a little more than one-tenth of what they had been 4 years before.

Postwar Readjustment

Even before the end of the war, plans were developed to ensure that demobilized members of the Armed Forces would have security in their search for civilian work. The existing unemployment insurance systems had become important institutions in the economy, and in 1944 Congress provided unemployment insurance protection for returning veterans. Two years later Congress also enacted a temporary program for reconversion unemployment benefits for seamen, whose war employment was deemed Federal employment. Both these programs were administered by the State employment security agencies acting as agents of the Federal Government. The broad concern of the Federal Government with the problems of employment and unemployment found expression also in the Employment Act of 1946.

During the reconversion from war to peace, unemployment increased sharply from the low point of 1944, although the mass unemployment feared in many quarters did not develop. Workers displaced from wartime jobs and returning veterans were assured of security as the

country retooled for peacetime operations. By the end of 1946, with the wartime mobilization efforts completed, the employment service was turned back to the States.

The Past 12 Years

The postwar period brought many changes in the economy. Except for three recessions in 1948–49, 1953–54, and 1957–58, generally high levels of employment were maintained. Vast sums were spent by government and industry on research and development bringing new processes, new products, and higher standards of living to the American people. Productivity increased and with it wages. Automation and other technological changes resulted in the scrapping of old factories and the building of new ones, the decline of older and the development of new industries. Shifts occurred in employment and in geographic locality of industries. Manufacturing employment increased at a slower pace than the service industries. The decline in agricultural employment continued at an accelerated pace. Although many women left the labor force after the war ended, the labor-force participation rates of women increased from prewar levels. Production workers became a decreasing and white-collar workers an increasing proportion of the labor force.

In 1949, when the country experienced its first postwar recession, more than 7 million persons drew benefits, almost twice the number receiving benefits the year before. Benefit payments reached an alltime high of $1.7 billion, reflecting the large number of beneficiaries as well as the higher wages and the liberalization of State laws in the war and immediate postwar years. Not only did the payments provide unemployed workers with needed protection, but they supported consumer expenditures and helped to prevent the recession from deepening.

As the economy recovered from the 1949–50 recession, expansion in economic activity caused covered employment to rise until by 1953 it had reached an average of 36.7 million. With the start of the Korean conflict, unemployment declined with unusual sharpness below the recession level, but during 1951–53—years of relatively high employment—the number of beneficiaries fluctuated around 4 million, reflecting the expanded coverage of the program and the great changes taking place in the economy.

In 1952, Congress provided temporary unemployment insurance protection for veterans of the Korean conflict to be administered by State agencies.

Although the recession of 1953–54 was not as severe as that of 1949–50, benefit payments in 1954 rose to more than $2 billion, 17 percent higher than in 1949, because of the improvement in State laws and the increase in covered employment. Attention began to focus increasingly on the function of unemployment insurance as a "built-in stabilizer" in maintaining consumer expenditures during the downswing of the business cycle and in curtailing the depth and length of a recession.

Despite an expanding economy, during each of the years 1955 and 1956 more than 4.5 million persons drew benefits, more than 1 million persons had used up all benefit rights before they became reemployed, and total benefit payments stayed well above $1 billion. These high levels of operation during prosperous years were caused in part by the expansion in the program as well as by the fact that generally high levels of employment and prosperity in the country had not reduced unemployment to the lower levels reached after the 1949–50 recession.

The year 1957 ushered in the third and worst recession of the postwar period. States faced the heaviest load in their history. Average covered employment fell by 1.5 million from 39.9 million in 1957 to 38.4 million in 1958. In 1958 alone, 7.8 million persons drew benefits and 2.5 million, or 1 out of 3, exhausted their benefit rights. Benefit payments reached an all-time high of $3.5 billion, 73 percent higher than the previous high point of 1954. The recession affected the States unevenly. Employment in durable goods manufacturing fell more than in other industries. States with a high proportion of covered employment in these industries felt the greatest drain on their funds.

Although the 1957–58 recession was of relatively short duration, reduction in unemployment lagged behind recovery in production. During 1959 unemployment benefits amounted to $2.3 billion, a drop of $1.3 billion from the year before but still higher than any other previous

year. Generally lower levels of unemployment hid local geographic pockets of unemployment where unemployment was persistently higher and lasted longer than in the country as a whole.

PROGRAM DEVELOPMENTS

The 25 years since the enactment of the Social Security Act have witnessed great changes in State unemployment insurance laws. Coverage has broadened, and the benefits provided today are far higher than they were originally. The States have adopted agreements for the payment of benefits to workers who move across State lines. The original overcautious estimates of the cost of unemployment insurance—a heritage of the depression of the thirties and a consequence of the lack of adequate unemployment data—coupled with the low unemployment of the war years, provided ample funds in all States in the early postwar years for both liberalizing benefits and decreasing contribution rates through experience rating. In spite of the many improvements that have taken place, much still remains to be done to make the program more effective.

Extent of Coverage

The coverage of the State programs has always been more limited than that of old-age, survivors, and disability insurance. That program, of course, covers self-employed persons, while the Unemployment Tax Act is applicable only to persons who work for wages for others. In addition, the Federal Unemployment Tax Act still excludes agricultural workers, domestic servants, State and local government employees, and employees of nonprofit institutions, as well as those working for employers with fewer than four employees.

The State unemployment insurance laws have covered all employment subject to the Federal act and in some States and some respects have gone beyond it. At the beginning of 1960, 24 States were covering firms with fewer than four employees and seven States were covering employers of one or more at any time. States have also experimented in covering other types of employment excluded from the Federal act. Twenty-four States cover about 350,000 State and local government employees.

Railroad workers originally covered by the State laws have been protected since 1939 under a separate railroad unemployment insurance law, administered by the Railroad Retirement Board. Unemployment benefits for Federal civilian employees and ex-servicemen, however, are administered by the States, and the protection afforded, though financed from Federal funds, varies according to the provisions of the State laws.

In all, at the beginning of 1960 about 45 million wage earners are covered by the Federal-State unemployment insurance program and 0.9 million by the Federal railroad unemployment insurance program. Approximately 13 million are not covered by any program: 1.7 million employees of small firms, 1.3 million employees of nonprofit institutions,[4] 5.6 million State and local employees, 2.5 million domestic servants, 1.9 million agricultural workers, and 0.3 million employees in miscellaneous pursuits. Expansion of coverage to these groups remains as a task for the coming years.

Benefit Levels

Measured in terms of dollar amounts and weeks of benefits the State laws today are notably more liberal than they were originally. The early laws generally provided for benefits equal to 50 percent of full-time weekly wages up to a maximum of $15 a week for a total of 13–16 weeks. Increased weekly earnings and rising reserve funds led to higher maximum amounts and longer duration, especially after the three postwar recessions. These higher maximums, however, lagged behind rising wage levels, and many unemployed workers exhausted benefits before being reemployed.

Benefit amount.—While the State laws have generally intended that benefits should be equal to 50 percent of weekly wages, the maximums on benefits incorporated in State laws have been curtailing the benefit rights of many workers to a level far below 50 percent. In 1938, average weekly wages in covered employment were

[4] This figure excludes more than 600,000 individuals, including clergymen and members of religious orders, student nurses, interns, and students employed in schools while enrolled.

$25.28, and the maximum benefit of $15 that prevailed in most States was almost 60 percent of average weekly wages.

By 1960, 16 States with more than 40 percent of the covered workers had maximum benefits of $40–$50 and no State maximum was less than $25. Wage levels, however, had risen faster. As a result, maximum benefits in most States were less—in some States considerably less—than 50 percent of average weekly wages in covered employment.

Average weekly benefits for total unemployment went up steadily, from $10.56 in 1940 to $30.41 in 1959, reflecting the higher maximums in State laws as well as increased weekly earnings. Despite these advances, average benefits today represent a smaller proportion of weekly wages than they did when the program started. In 1959, six States provided for determining maximum benefits as a specified proportion of average weekly wages instead of a stated dollar amount. Such a provision will automatically reflect changes in wage levels and remove the need for constantly amending the flat maximum statutory dollar amount.

Supplemental unemployment benefit plans.—Following World War II, labor's demand for a guaranteed annual wage through collective bargaining resulted in the adoption of supplemental unemployment benefit plans in several major industries. It is estimated that almost 2 million workers are now covered by about 260 supplemental unemployment benefit plans. Most of these plans are integrated with State unemployment insurance systems, paying benefits for the same weeks that the unemployed workers are receiving State benefits. Out of a fund financed by employer contributions—in most plans equal to about 5 cents an hour—the worker receives benefits that, when added to State benefits, equal about 65 percent of after-tax, straight-time wages for 26 or 52 weeks up to a maximum company payment, such as $25 a week. In some agreements, allowances are added for dependents.

What the long-run effect on the unemployment insurance system will be is yet to be determined. There is some evidence that the supplemental unemployment benefit plans have lessened employers' resistance to strengthening benefits under State laws. Thirty-four States raised maximum benefits in 1955, 22 in 1957, and 22 in 1959.

Duration of benefits.—The duration of benefits has also been lengthened greatly since 1937. In that year most of the State laws (29) provided maximum duration of 16 weeks a year, and only five included longer duration; four of them provided benefits for 20 weeks. After the postwar recessions, each of which saw the number of claimants exhausting benefit rights significantly increased, benefit durations were lengthened.

Congressional concern with the growing number of persons exhausting benefits during the 1957–58 recession led to the passage of the Temporary Unemployment Compensation Act in 1958. It provided that, in States electing to participate in the program, additional benefits not to exceed 50 percent of the duration under the State law would be payable to workers who had exhausted benefits after June 30, 1957. The program was financed by advances made to the States from congressional appropriations and to be repaid by 1963, and it was in effect through June 30, 1959. Only 17 States participated in all phases of the program, and five enacted temporary programs of their own similar to the Federal program.[5] The 22 States covered 70 percent of the covered workers. Sixty percent of the persons receiving additional benefits under the temporary program again used up all their benefits.

This act had a marked effect on State legislation. By the end of 1959, 32 States with more than two-thirds of the covered workers provided a maximum duration of benefits of 26 weeks, only 10 States (with 14 percent of the covered workers) provided less than 26 weeks (18–24 weeks) and in 9 States the maximum duration was between 28 and 39 weeks. In addition, six States provide for extension of duration (by 50 percent of regular duration in five States and by 8 weeks in one) whenever unemployment in a State reaches a certain level.

Primarily as a result of the changes in the duration provisions of the laws, the average period for which claimants can receive benefits increased from 19.8 weeks in 1946, the earliest date for which such data are available, to 22.4 weeks in 1954 and 23.6 weeks in 1959.

[5] In 14 additional States, extension of benefits was provided only for Federal employees and veterans.

Disqualification Provisions

In general the disqualification provisions of State laws have been made more stringent in a number of respects since the laws were first enacted. The causes for which benefits are denied have multiplied, and the periods of disqualification have been made more severe. Many of these changes developed from employers' efforts to curtail charges to their experience-rating accounts. There is some evidence, however, that these trends have slowed down. Although a few States have increased the severity of their provisions in recent years, others have made theirs less harsh.

Financing the Program

While the Social Security Act imposed a uniform payroll tax of 3 percent on employers in covered employment, the tax did not remain uniform for long. Employer contributions collected by the States, set at 90 percent of the Federal tax, have been reduced to about half the rate originally considered necessary to finance the limited benefits provided in the beginning. Lower contribution rates have been established through systems of experience rating, the only method by which employer contributions could be reduced, since the Social Security Act has not permitted the States to adjust contributions to benefit costs by any other means.

Experience rating.—State experience-rating provisions differ widely in such matters as the schedule of rates provided, the minimum and maximum rates, the measure of unemployment experience used, and the method of charging benefits. The variations have increased each year. Although these provisions were intended to vary individual employer contributions with his unemployment experience and to act as an incentive to stabilize employment, in many cases they resulted in merely reducing employer taxes because of general economic conditions.

The low unemployment of the war years, coupled with the conservative benefit provisions of the early laws and the lag in adjusting them to increasing wages, resulted in increasing reserves in all States. As reserves mounted, pressure increased for reduced rates. In practically every session of the State legislatures, experience-rating provisions were amended to make it easier for employers to qualify for reduced rates. Minimum and maximum contribution rates were lowered, separate rating schedules were added depending on the status of the fund, voluntary contributions were permitted, and benefits paid to workers under certain circumstances did not enter into the rating procedures.

Taxable wage base.—After the 1953–54 and 1957–58 recessions, the State funds were materially reduced. Although almost all the State laws contained provisions designed to protect the solvency of their funds, the provisions were ineffective primarily because they did not adequately take into consideration the increased liabilities of the system. Taxable wages on which contributions were based had remained fixed at the first $3,000 of an individual's annual wage in the Federal act and, until 1960, in all but five State laws. But taxable wages, which represented 98 percent of total covered payrolls in 1938, amounted to less than two-thirds of covered payrolls in 1958.

State reserves.—The decline in reserves for the country as a whole hid wide variations in the reserves of individual States. By the end of 1959, 16 States had reserves of less than 5 percent of taxable payrolls and eight States' reserves equaled between 9 percent and 11 percent of taxable payrolls. For the period 1950–59, only 15 States had collected contributions equal to or higher than their benefit costs; the other States had used past reserve accumulations and interest payments on reserve funds to finance their benefits.

In 1954, Congress provided for Federal loans to the States with low reserves.[6] The proceeds of the Federal unemployment tax were earmarked, and the excess of Federal tax collections over Federal and State administrative expenses was used to establish and maintain a $200 million fund for noninterest-bearing loans to States whose reserves fell below a specified level. Any excess tax collections remaining were credited to

[6] In 1944, in preparing for the postwar reconversion, Congress included in the War Mobilization and Reconversion Act a temporary provision for advances to State unemployment funds if they faced insolvency. Though this provision was in effect until 1949, it was never used.

the State's account in the trust fund to be used for benefit payments, and under specified circumstances for financing administration.[7]

The law was designed to provide emergency shortrun aid to any States facing insolvency. It assumed that the Federal Government had an interest in maintaining the solvency of State funds but continued to place full responsibility on the States for financing the benefits they provided.

One State requested and received a loan from the Federal fund before the 1957–58 recession. In 1958 and 1959 the fund made loans to three States, one of which was less than requested because by this time the loan fund was not large enough to cover the full amount.

Some of the State financial provisions may not provide for building up reserves adequate for a recession without running into financial difficulty. As late as January 1, 1960, only 18 State laws provided for assigning any rates higher than 2.7 percent. Fifteen State laws still provided zero rates for some employers, and eight States actually assigned zero rates to some employers in 1959. Currently all but six States tax only the first $3,000 of annual wages paid to an employee.

In addition to meeting their current benefit costs, some States are faced with other financial responsibilities. Three States still have to repay funds borrowed from the loan fund, and 17 States funds advanced under the temporary unemployment compensation program.

ISSUES FOR TOMORROW

The employment security program has developed into the major institutional arrangement for securing a better utilization of manpower and for protecting genuinely unemployed workers during periods of unemployment. The Nation was indeed fortunate to have had, during periods of rapidly changing economic conditions and national needs, a well-functioning Federal-State system of employment services and unemployment insurance on which to rely. Throughout mobilization for war, postwar readjustment, prosperity, and recession, the Nation has looked to the employment security program to handle the problems of an ever-changing labor market and the adjustments that these changes required of both employers and labor.

The growth of the State programs, both in number of workers covered and in benefits provided during the past 25 years, has emphasized the potential role of unemployment insurance as a built-in stabilizer of the economy. With the passage of the Employment Act of 1946, Government responsibility for fostering a high and rising level of employment and for preventing mass unemployment was made explicit. Because unemployment insurance, of all the income security programs, is most sensitive to changing economic conditions, it is being looked to more and more as a major device for bolstering consumer expenditures during the downswing of the business cycle. It has been estimated that unemployment insurance payments have offset between one-fifth and one-third of the loss of income during recent recessions. The question arises as to whether this is the maximum we should expect from the program. Belief that the program should be improved and concern with the inadequacy of benefits have been expressed by the President, the Council of Economic Advisers, and congressional committees, among others. In this context, the adequacy of unemployment insurance benefits becomes a matter of concern not only in relation to the protection provided to individual workers and their families. It is also a major factor in the effectiveness of the program in bolstering and stabilizing the economy.

Strengthening the Program

We need to look again at ways in which the program could be strengthened. Most of them have been suggested in the review of changes during the past 25 years:

(1) Extension of coverage to the 13 million employees still excluded;

(2) improvement of benefit provisions of State laws so that Hawaii will no longer be the only State that meets the standards recommended by President Eisenhower—to raise benefit amounts to make the great majority of covered workers eligible for benefits equal to at least half their regular earnings and a maximum duration of

[7] The amount distributed to the State accounts during the period 1956–58 was $138 million.

benefits equal to 26 weeks a year for all eligible workers who remain unemployed that long;

(3) an increase in the taxable wage base to cover more than two-thirds of total wages in covered employment;

(4) an increase in the amounts available for loans to the States so that all States eligible for loans will be able to get them;

(5) additional funds to meet the costs of administering the program; with a labor force growing and including much larger proportions of young people, women, and older persons, the employment service and the program as a whole will have to expand to meet new problems and new opportunities;

(6) action by the States to improve the financial solvency of their systems where it is needed.

From a national point of view it is also important that the unemployment insurance system contribute through its taxing powers (as well as its benefit operations) more effectively to the stability of the economy. Up to the present time this goal has not been successfully achieved. In the past, because of the operation of experience-rating provisions, contributions have generally been lowered when unemployment and benefit outlays were low and raised when unemployment and benefit disbursements increased. This problem will not be easily solved; it must receive increasing attention if the program is to make its maximum contribution to the functioning of the economy.

Although these improvements have top priority in the period ahead, it is clear that other pressing problems will demand attention especially if unemployment in good times continues to hover around the levels of 1959 and 1960. In creased attention may center on extended duration of benefits beyond 26 weeks. Available information indicates that certain groups in the population—older workers, nonwhites, and the unskilled—are unemployed longer than the average person.

Helping depressed areas.—Unemployment in chronically depressed areas accounted for at least one-fifth of all unemployment during the full employment periods of 1956–57 and was at least 50 percent higher than the national average. Long-term employment declines in coal mining and in the production of textiles, automobiles, steel, and machinery were important factors in these localized situations. The areas have not been spread evenly throughout the country. Some of the unemployed need training or retraining because their skills have become obsolete; consideration should be given to continuing the payments of benefits to unemployed workers while they are undertaking training. While other measures are needed to restore the economy of distressed areas, employment security programs should be reexamined to determine what part if any they are to play in encouraging outmigration from distressed areas and helping to finance workers' transportation costs.

Reevaluating the program's financing.—There is need for fundamental reconsideration of the financing of the system even if individual State solvency problems are solved. The Social Security Act placed full responsibility on the States for raising the funds sufficient to finance the benefits provided. The 1954 provision for emergency loans to the States in no way affected this basic responsibility. Twenty-five years of experience have indicated what was known, but not fully comprehended earlier, that the risk of unemployment varies widely among the States. A State's benefit costs are affected much more by its industrial composition than by the benefit provisions of its unemployment insurance law. Employment and unemployment levels are more the result of nationwide economic conditions or developments than of the situation in an individual State.

States with a heavy concentration of manufacturing employment or of employment in declining or seasonal industries have high benefit costs. During the 21 years 1938–58, costs in Alaska and Rhode Island—States with the highest cost—were more than six times the cost in Texas, the State with the lowest cost. This wide spread in costs—caused in large part by forces not confined to State boundaries—raises the question of whether there will need to be some measure of equalization of cost through national legislation.

Consideration will also have to be given to the question of whether it is equitable for some covered employers to pay no State contributions at all while other covered employers may be taxed

4.5 percent or even higher and whether it is not equitable to require a minimum State contribution from all employers for benefit purposes.

Research.—Other questions of public policy will undoubtedly arise. If policy decisions are to be based on objective considerations, much more basic research is needed on various aspects of the program. Too little is known about the characteristics of the unemployed and the reasons for their unemployment, especially in chronic labor surplus areas. Research is needed on the extent to which existing qualifying earnings requirements are appropriate measures of labor-force attachment. This information will be particularly important in the period ahead when young people and women, especially secondary workers, will form an increasing proportion of the labor force. Much more needs to be known of the effects of the disqualification provisions on workers and on the relationship between unemployment insurance and fringe benefits.

THE EMPLOYMENT SECURITY system cannot remain a static institution. To perform effectively the functions for which it was designed, it must constantly adjust to the needs and requirements of the changing labor market in a dynamic economy.

A Quarter Century of Social Security Abroad*

DURING THE FIRST 25 years of the social security program in the United States, a remarkable growth in social security also took place in other parts of the world. The older systems that antedated the American program underwent many changes during this period. Their coverage was greatly enlarged, new benefits were added, and in some countries the basic approach was fundamentally altered. At the same time, many other nations introduced social security measures for the first time. Included among them are a number of countries that did not exist as independent nations in 1935.

This article presents a review of major social security developments abroad since 1935. Only a summary picture can be given, however, because of their volume and complexity.

SITUATION IN 1935

When the Social Security Act was passed in the United States, there were around 28 countries that already had social security systems of fairly broad scope in operation. All but six of these were in Europe, where nearly every country had some form of legislation before 1935. The only non-European countries in which social security measures then existed for sizable proportions of the population were Australia, Chile, Japan, New Zealand, the Union of South Africa, and Uruguay.

Most of the programs in operation in 1935 took the form of social insurance. In relying primarily on this approach there was a tendency to follow the example of Germany, which had introduced the notion of governmental social insurance during the 1880's. The techniques of social insurance spread rapidly through Central and Eastern Europe and then to Western Europe. A few of the nations with social security programs in 1935 relied on social assistance, however, as their chief means of protection. These countries were concentrated in Scandinavia and the English-speaking world. Denmark was the first to adopt this approach on a national scale in 1891. It was followed in turn by New Zealand, Australia, Iceland, and the Union of South Af-

*Prepared by Daniel S. Gerig, Division of Program Research, Office of the Commissioner.

rica. Some countries with social insurance systems also maintained assistance programs, but the latter were largely supplemental in character. Sweden adopted its first universal pension law in 1913.

Most of the early programs, especially those based on social insurance, had achieved a reasonably broad coverage in terms of risks by 1935. They usually provided pensions in case of old age, invalidity, and death; cash and medical benefits in the event of sickness; work accident benefits; and often unemployment benefits. Almost half the unemployment benefit programs, however, consisted of State-subsidized voluntary plans of the older Ghent type; these were found, for example, in Belgium, France, Italy, and New Zealand. There were only four general family allowance programs in operation in 1935.

The coverage of the early programs, as judged by present-day standards, was still far from complete. Their scope was often limited to industrial and commercial workers, or even to manual workers only, and they often excluded higher-paid employees (all or salaried). Agricultural employees were commonly excluded, and the systems rarely covered the self-employed. A number of countries also followed the German practice of having wholly separate systems for wage earners and salaried employees.

The programs were usually financed in part from special insurance contributions paid by employers and employees. To these was added in a number of countries a subsidy by the Government. Employer and employee contributions usually equaled a fixed percentage of wages; in a few countries such as the United Kingdom, however, flat contributions were imposed that paralleled the flat benefits provided. The assistance programs, in contrast, were financed entirely from general revenues, with local governments often sharing in the cost. A majority of the early programs were administered by self-governing institutions managed by governing bodies that included representatives of insured persons and employers.

The form of social insurance legislation as it existed in 1935 was considerably influenced by a series of conventions and recommendations adopted by the International Labor Organization between 1925 and 1934. Among subjects covered by ILO conventions adopted during this period were pension insurance, sickness insurance, unemployment insurance, and workmen's compensation.

Apart from the countries referred to above, a number of countries in 1935 had laws prescribing the compensation employers were to pay to workers injured during employment. This was true as well of various colonial territories that subsequently became independent. It may also be noted that various countries, particularly in South America, had by 1935 established social security programs for special groups of workers such as employees of railroads, banks, public utilities, or the Government, even though they had no general system.

PREWAR DEVELOPMENTS (1935–39)

The period between 1935 and the outbreak of World War II in late 1939 was marked both by the aftermath of the economic depression and by unsettled political conditions created by the threat of war. The success of the older social security programs in weathering the depression, and the aid they gave in ameliorating its hardships, provided some impetus to a further spread of social security. It was during this time that there began, among other things, the remarkable spread of new social security programs in Latin America; this movement continued throughout the war and well into the decade of the 1950's. Thus, in the same year that the United States passed the Social Security Act, Ecuador became the third South American country to adopt a general social security law applying to industry and commerce. During the following year, Peru instituted a broad new insurance system covering most wage earners, and Brazil provided social security protection for its industrial workers for the first time.

The immediate prewar period also saw the introduction of assistance pensions and compulsory unemployment insurance in Norway, a universal pension system in Finland, a wage earner's pension program in Yugoslavia, and unemployment insurance in South Africa. The New Zealand social security act was passed in 1938. This law was notable for the manner in which it embodied protection against all risks in a single unified system and for its generalized coverage. Instead of being

social insurance, however, the new program was financed through a special income tax and benefits were provided on an income-test basis. Australia also enacted a general law during 1938, but its implementation was deferred until after the war.

Most of the older programs underwent minor changes during the half decade immediately preceding the war, but in general they were not altered fundamentally. Chile, Hungary, the Netherlands, and Spain introduced family allowances during this period.

EVENTS DURING THE WAR (1940–44)

The outbreak of hostilities in 1939 inevitably had extensive repercussions on social security measures then in existence. These programs continued to function, in the main, but they eventually underwent extensive readjustment in numerous countries to adapt them to wartime conditions. Preoccupation with military matters and manpower shortages greatly lessened for a time, however, the amount of public attention given to the further development of social security.

In the first part of the war, therefore, a certain freezing of the evolution of social security occurred in the belligerent countries where programs had previously existed. Despite this, such programs made a distinct contribution in some countries to the meeting of extraordinary welfare needs occasioned by the war. Benefits were raised from time to time to cover the rise in living costs, and the high levels of employment and earnings led to higher contribution income. In Europe itself, German legislation was extended to various occupied countries, while in others local legislation was altered to adjust it to the desires of the occupying power.

The situation differed in the Western Hemisphere, which was not directly ravaged by the fighting taking place in Europe and Asia. Here, where there were few general social security programs before the war, great interest arose in this field. Each year saw adoption of legislation in more and more countries that previously had had no laws of this type. The movement was particularly pronounced in Latin America, partly as a result of the emphasis given to social security at regional labor conferences held by the ILO in 1936 and 1939. In 1940, Venezuela enacted its first general social insurance law. Similar action was taken in the next few years by Costa Rico, Mexico, Panama, and Paraguay. Most of these laws called for only gradual introduction of the programs authorized, with regard to types of benefits or districts covered, but the first basic steps were taken.

It also may be noted that Canada enacted its first permanent national social security law in 1940, in the form of unemployment insurance. Japan introduced its first general pension system in 1941. In 1944, Australia adopted its first national system of unemployment and sickness benefits.

One branch of social security in which there was fairly rapid development during the war was family allowances. Before the war began, statutory family allowance programs were to be found in only about eight countries. In contrast, such legislation was promulgated in nearly a dozen countries during the early 1940's, including Australia, Brazil, Bulgaria, Canada, Finland, Ireland, Morocco, Portugal, Rumania, Tunisia, Uruguay, and the Union of Soviet Socialist Republics.

The most important social security development during the war from a historical point of view, however, probably was not the actual legislation. It was instead the extensive planning of postwar social security measures that took place that was to leave the most enduring imprint. The heavy sacrifices imposed by the war and the spirit engendered by concentration on a common cause gave impetus in many countries to plans for greatly improving the content of social security measures as soon as possible after the war ended.

The widespread aspiration for a greater degree of social security had already been recognized in 1941 in the Atlantic Charter, which referred to the objective "of securing, for all, improved labor standards, economic advancement, and social security." An ILO conference held in the United States in 1944 adopted the so-called Philadelphia Declaration, which proclaimed that the war against want should be carried on with unrelenting vigor within each nation and also set forth basic social security principles. A formal recommendation was also adopted at this conference affirming that all persons should be

guaranteed, through social insurance or public assistance, income sufficient to free them from want or destitution.

Concrete plans were drawn up in a number of countries, during the closing years of the war, for the new social measures that would be put into effect at the war's end. In the case of some occupied countries, such plans were developed by governments-in-exile, to be put into force as soon as possible after liberation of their homeland. The most famous of the wartime plans was, undoubtedly, the Beveridge Report of 1942, which outlined a comprehensive program of social insurance and related services for the United Kingdom in the postwar period. The breadth and depth of this report served to stimulate comparable planning in numerous countries.

POSTWAR PERIOD (1945–49)

The termination of World War II marked the beginning of an unprecedented period of social security development. There were the lost years of the war to be made up; and the hardships undergone by peoples in many countries had intensified their desire for greater economic security. The result was a steadily growing volume of social security legislation in more and more countries, a trend that continued almost unabated down to the present time.

Two main types of social security activity took place during the first 5 years after the end of hostilities. On the one hand, there was the reorientation of the older systems. These needed to be put back into operation on a peacetime basis as soon as possible, and at the same time required major overhauling to adapt them to the new environment. On the other hand, there was the introduction of new programs in countries that had not previously had legislation of this type. Such programs were introduced mainly in long-established countries during the period under review, but even before 1950 a beginning was made on social security legislation by some new nations that became independent only after the war ended.

Older Programs Revised

Many of the older social security programs were operating in 1945 under temporary wartime legislation. This could not be continued indefinitely. Inflation had not only rendered benefit levels obsolete but had also largely impaired the value of accumulated reserves. Coverage was far from complete, not all risks were fully covered, eligibility conditions were out of date, and the administrative structure had in some cases been substantially weakened during the war. These were among the problems that had to be dealt with in the postwar reconstruction of social security.

The planning initiated during the war in some countries was speeded up. In others, it was started as soon as possible after the war. The end result was the gradual adoption in country after country of sweeping reform laws that greatly changed and broadened social security systems from what they had been before 1940. The general purpose of much of this activity was to effect a greater integration of national social security measures, extend coverage to as large a part of the population as possible, provide for broad coverage of risks, bring benefits in line with postwar income and price levels, place social security financing mainly on a pay-as-you-go basis, and make more efficient the administrative arrangements through which the systems operated.

Because of the complexity of present-day social security programs and their close interrelationship with the national economy, the substitution of modernized long-run programs for temporary wartime arrangements proceeded rather slowly at the outset. Belgium was one of the first countries to replace its older laws with new legislation, starting this process in December 1944. A decree of October 1945 provided a new basis for the French nonagricultural social insurance system. These were among the earliest of the postwar reform laws.

In 1946, the United Kingdom introduced three major new programs to replace its older ones: the national insurance and industrial injuries insurance programs and the national health service. It had already established a family allowance program in 1945, and it set up a new national assistance program in 1948. Other countries making fundamental changes in older legislation during this period were Australia, Czechoslovakia, Iceland, Luxembourg, Rumania, and Sweden.

New Programs Established

A number of entirely new programs also came into being in the first few years after the war. During 1946–49, the countries of Albania, Bolivia, Colombia, the Dominican Republic, El Salvador, Guatemala, and India enacted their first social insurance laws. The majority of these are being applied gradually by regions. Switzerland and Turkey also began pension insurance programs during this period, while Japan set up the first unemployment insurance program in Asia. Family allowances were started in a number of countries, including Austria, Luxembourg, Norway, Poland, South Africa, Sweden, Viet-Nam, and Yugoslavia.

It is evident from the above that there was a considerable development of social security in foreign countries during the early postwar period. This trend, still continuing as the wartime decade drew to a close, foreshadowed the still greater expansion that was to occur throughout the world during the 1950's.

A great deal of social security activity at the international level also began soon after the war ended. The ILO held several regional labor conferences in Asia, the Middle East, and the American Continent between 1947 and 1949 at which social security was a major topic of discussion. These did a good deal to stimulate the interest of less-industrialized nations in social security. The ILO also set up an international committee of social security experts in 1948 to advise it on social security matters. In addition, shortly after the war's end, it commenced an extensive program of technical assistance in the social security field; advice was furnished to numerous nations introducing social security for the first time, as well as some of the countries revising their older laws.

The first session of the permanent Social Commission of the United Nations was held in 1947. This Commission was established by the U.N. Economic and Social Council to advise it on matters in the social field. A major part of its work has been concerned with social welfare services. The International Social Security Association, which is an international organization of agencies adminstering social insurance, was also reconstituted in 1947. It had been started in 1927 as an organization of mutual benefit societies but became inactive during the war. The new association held several meetings during the late 1940's and began the issuance of various types of documentation.

THE PAST DECADE (1950–59)

The period of the 1950's witnessed, without doubt, a more extensive development of social security than had occurred in any previous decade. In country after country, social security programs were introduced where none had existed before, older programs were extended, and major structural changes were made in the types of measures applied. By the end of the decade, there were indeed few countries on earth that either did not have some type of social security law in operation or at least had not made considerable progress in preparing such a law.

New Programs

More than a dozen nations made their first real start in social security during this period. These were to be found in all regions of the globe. Countries in Asia adopting their first social security laws during the 1950's included Burma, Ceylon, China (both Nationalist and Communist), Malaya, and the Philippines. In the Middle East and North Africa, there were Iran, Iraq, Libya, Morocco, and the United Arab Republic. In Central America, Honduras and Nicaragua enacted their first general social security legislation. A few other less-industrialized countries, such as Pakistan, Indonesia, and Lebanon, gave considerable study to the problems of introducing social insurance during the same period but did not reach the final stage of legislation. It should be noted also that social security programs were established in various colonial territories during the 10-year period; this was done, for example, in the Belgian Congo, Brunei, Cyprus, Gibraltar, Malta, Ruanda-Urundi, Singapore, and some French overseas territories.

Some of the countries with new programs chose to concentrate initially on the short-term risks of sickness and maternity, and sometimes work accidents in addition; in these cases medical benefits as well as cash benefits were provided. Others decided instead to deal first with the long-term

risks of old-age, invalidity, and death. The approaches utilized for dealing with these risks in the new schemes ranged from social insurance to provident funds (in Ceylon, Iraq, and Malaya) or social assistance.

Some of the new measures referred to above were put into actual operation within the normal lag of 1–2 years required for administrative preparations; in a few cases, implementation was delayed for 3 or more years. In some countries, however, only part of the benefit provisions were applied at the outset, while other parts were indefinitely deferred. Another procedure followed in a number of countries has been to apply the new program initially in only one or a few cities or districts and then to extend it gradually in successive stages to other regions as necessary administrative, medical, and financial resources are available. Among countries whose programs began during the past decade that are following this latter practice are Burma, Honduras, Libya, Nicaragua, and the United Arab Republic.

Developments in Older Programs

The process of reforming and expanding older social security systems that commenced after the war also continued into the 1950's. Some countries were unable to achieve sufficient stabilization of their economies, or to complete the necessary planning, before this time. Others that had revised their programs soon after the war ended undertook still further and sometimes more fundamental changes and consolidations during the last decade. Among problems of the older programs that were dealt with during this period were incompleteness of coverage and the exclusion of important groups, absence of protection against certain risks, benefit inadequacy caused by inflation and rising income levels, the continuing growth of the aged population, rising costs, and ineffective administrative arrangements.

The majority of countries in both Western and Eastern Europe carried out major reforms of their older social security legislation during the 1950's, especially around the middle part of the decade. Illustrative of these are the Austrian and Belgian legislation of 1955, changes made in the programs of the Netherlands and the U.S.S.R. in 1956, and the new West German pension law of 1957. Bolivia and Chile in South America, as well as Japan, also made important social insurance changes during the decade. Canada and Norway established new universal pension systems, and the former country also set up a nationwide hospitalization insurance program in 1957. Six more countries (Chile, Bolivia, Denmark, West Germany, East Germany, and Iran) instituted family allowance programs.

A number of significant developments occurred as recently as 1959. Cuba merged many of its separate occupational pension programs into a single new Social Security Bank. Denmark introduced widows' pensions under its national pension system, and Israel began the payment of family allowances. Japan established a national pension system for all persons not previously covered, and the Netherlands adopted a new general survivors' insurance law. Both Sweden and the United Kingdom established important programs of wage-related pensions that will supplement their existing flat pensions. Switzerland adopted its first general invalidity insurance program.

The changes made in the older programs during the 1950's had important consequences. The scope of these programs was greatly extended, sometimes to the entire population, and sizable groups hitherto excluded, such as agricultural workers or the self-employed, were often covered. Protection was extended to risks not previously included, and family allowances were added in a number of countries. Benefits were increased in numerous instances as a result of rising prices and income levels, with about 10 countries now providing for automatic adjustment of long-term pensions on the basis of an economic index. The finances of a number of programs were placed on a somewhat stabler basis, and their administrative organization was strengthened.

International Activity

There was also an intensification of activity in the international field during the decade. The ILO provided technical assistance to most of the countries introducing social security programs, advising them on the framing and implementation of their laws. A general convention on minimum standards of social security was also

adopted at its 1952 conference that has now been ratified by more than a dozen countries. The International Social Security Association acquired members in nearly 70 countries and held a considerable number of general international meetings as well as meetings on special subjects. The U.S. Social Security Administration joined this Association in 1957. At least five multilateral treaties to preserve the social security rights of migrating workers were signed by European countries. These apply to workers in countries belonging to the Coal and Steel Community and the Council of Europe, citizens of Scandinavian countries, transport workers, and boatmen on the Rhine river. A large number of bilateral agreements having the same objective were also concluded.

CURRENT SITUATION

As a result of developments during the past quarter century, the number of countries having some form of social security measure has risen to about 75 in 1960, exclusive of colonies. Two-thirds of these countries have both pension and sickness benefit programs, and about one-third also provide unemployment benefits. Forty nations are also now paying family allowances. Practically all countries have laws concerning benefits in case of work injury, and this is the only type of general legislation yet in force in seven countries (Afghanistan, Ghana, Haiti, Indonesia, Jordan, Lebanon, and Pakistan).

The most comprehensive social security systems, in terms both of risks and of persons covered, continue to be found in Europe. The next most comprehensive are those in South America and North America. The majority of countries in Central America as well as in the Middle East have made a start on social security, but their coverage of risks, persons, and regions remains on the whole fairly limited. Coverage is still narrower in most Asian countries, although a number of them have taken significant steps in recent years. The least progress has been made in Africa where so many new countries are just now gaining their independence.

An outstanding feature of social security measures today is their overwhelming reliance on social insurance, under which benefits are financed from special contributions paid by insured persons, employers, and often the Government. About three-fourths of the existing old-age, invalidity, and survivor benefit programs now take the form of social insurance. The remaining one-fourth include six universal pension systems (Canada, New Zealand, and the four Scandinavian countries), income-test plans in three countries (Australia, Iceland, and the Union of South Africa), and provident funds in five (Ceylon, India, Iraq, Malaya, and the United Arab Republic). About five-sixths of the existing sickness benefit programs also use social insurance to provide both cash and medical benefits in cases of sickness and maternity. Included in the remaining one-sixth that provide only cash benefits in this way, however, are various countries like the United Kingdom, New Zealand, and the U.S.S.R. that maintain a national health service for the whole population.

All except four of the existing unemployment benefit programs are also social insurance systems, though in three Scandinavian countries they are voluntary rather than compulsory in character. The other four (in Australia, France, Luxembourg, and New Zealand) are unemployment assistance programs. A growing number of countries also provide work-accident benefits through social insurance. Many others, however, require individual employers to pay the benefits prescribed, with considerable variation as to whether or not they must insure themselves against this risk. Under the majority of family allowance programs, allowances are financed and paid by employers, through equalization funds, with coverage limited primarily to employed workers. In Scandinavian and British Commonwealth countries, in contrast, the Government itself usually pays allowances directly to all families with children and finances them from general taxation.

Public assistance continues to play an important complementary role in countries with well-developed social insurance systems, not only for persons who are not covered under social insurance but also for those whose insurance benefits prove inadequate. Some assistance schemes have been reorganized in recent years, while new schemes have been set up in some countries. Among countries with supplemental assistance programs at present are Argentina, Austria,

Belgium, Canada, Czechoslovakia, Denmark, Finland, France, Ireland, Japan, the Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, the United Kingdom, and Uruguay. Assistance to the needy is also recognized as a Government responsibility in a number of less-developed countries and dependent territories.

There is little reason to expect that the future will see a decrease in the rate of social security development in foreign countries, compared with the past quarter century. Some of the older programs, it is true, have been basically reconstructed in recent years, and these may undergo only minor changes for some years to come. But various countries were still reviewing their programs at the start of 1960—such as the review of the 75-year-old sickness insurance program in West Germany—and so still further general reform legislation may be anticipated.

The countries with newer programs undoubtedly will seek gradually to remedy shortcomings revealed in the first years of operation, enlarge the risks and proportions of the population covered, and improve benefits. Countries without any significant social security measures at present will probably try before long to make a start in this direction. Prominent among these, no doubt, will in time be the numerous new nations in Africa that are just now achieving their independence.

Significant Events, 1935-60

1935

January 17: Report of Committee on Economic Security transmitted to Congress with recommendations for Federal old-age insurance, Federal-State public assistance and unemployment compensation programs, and extension of public health services, maternal and child health services, services for crippled children, child welfare services, and vocational rehabilitation services. Economic Security Bill introduced.

August 14: Social Security Act became law.

August 23: Members of Social Security Board named by President: John G. Winant (chairman), Arthur J. Altmeyer, and Vincent M. Miles.

August 29: Railroad Retirement Act of 1935 and Carriers Taxing Act of 1935 signed by President (to replace Railroad Retirement Act of 1934).

1936

January 1: Federal unemployment tax of 1 percent of payrolls first applicable to employers of 8 or more, with credit offset for contributions paid to State unemployment funds.

February: Public assistance payments to recipients first made with Federal participation under Social Security Act in old-age assistance (17 States), aid to dependent children (10 States), aid to the blind (9 States).

March 5: First Federal grant for administration of State unemployment insurance law (New Hampshire) certified.

August 17: First State unemployment benefit paid in Wisconsin.

November: All States, the District of Columbia, Alaska, and Hawaii actively participating in program of maternal and child health services under Social Security Act.

1937

January 1: Workers began to acquire credits toward old-age insurance benefits. Employers and employees each subject to tax of 1 percent of wages, up to $3,000 a year. Lump-sum payments first payable to eligible workers, their survivors, or their estates.

Federal unemployment tax payable by employers of 8 or more increased to 2 percent of payrolls.

May 24: Constitutionality of old-age and unemployment insurance provisions of Social Security Act upheld by U.S. Supreme Court. (301 U.S. 495, 548, 619.)

June 24: Railroad Retirement Act of 1937 became law, amending portions of Railroad Retirement Act of 1935.

June 30: Unemployment insurance legislation became nationwide with approved laws in all States.

1938

January 1: Federal unemployment tax, payable by employers of 8 or more, increased to 3 percent of payrolls.

June 25: Railroad Unemployment Insurance Act became law.

September: All 51 jurisdictions making old-age assistance payments under Social Security Act.

1939

March 24: All States, the District of Columbia, Alaska, and Hawaii actively participating in program of crippled children's services under Social Security Act.

July 1: Federal Security Agency, set up by President's Reorganization Plan No. 1 of 1939, integrated in one unit the Social Security Board (to which was transferred the U.S. Employment Service), U.S. Public Health Service, Civilian Conservation Corps, National Youth Administration, and U.S. Office of Education.

August 10: Social Security Act amended to provide, under OASI, benefits for dependents and survivors, advance payment of monthly benefits to 1940, revise the benefit formula, modify certain coverage provisions, and hold contribution rates for employers and employees at 1 percent each through 1942; under unemployment insurance, to modify definition of covered employment and make tax applicable only to first $3,000 in wages; to increase Federal share of public assistance payments; to raise annual authorization for grants for maternal and child health, crippled children's, and child welfare services and extend these programs to Puerto Rico. For unemployment insurance and public assistance, State personnel merit system made requisite for Social Security Board approval of State plan; also made condition for Federal grants for maternal and child health and crippled children's services.

1940

January: Monthly benefits first payable under OASI.

January 18–20: White House Conference on Children in a Democracy held.

June: All States, the District of Columbia, Alaska, Hawaii, and Puerto Rico actively participating in program of child welfare services under Social Security Act.

1942

February 9: Social Security Board given certain responsibilities in program for aid to enemy aliens.

February 26: Social Security Board authorized to administer monthly benefits, assistance, and services to civilians affected by enemy action.

April 29: Rhode Island enacted first cash sickness insurance law, providing temporary disability benefits to those covered by State unemployment insurance law.

August 28: Emergency grants to States authorized for programs for day care for children of working mothers under plans approved by Children's Bureau and Office of Education, administered by Work Projects Administration.

October 21: OASI contribution rates frozen at 1 percent through 1943. (Increase again postponed in 1943, 1944, 1945, 1946, and 1947 (through 1949).)

1943

March 18: Medical and hospital care for wives and infants of enlisted men in the four lowest grades of Armed Forces authorized to be administered by Children's Bureau, through grants to State health departments.

March 24: Wartime coverage under OASI provided for seamen employed by or through War Shipping Administration.

June 30: With liquidation of projects of Work Projects Administration and student work program of National Youth Administration, Federal financial participation in public aid limited to public assistance under Social Security Act.

1944

February 25: Social Security Act amended to authorize appropriation to OASI trust fund of any additional amounts required to finance benefits.

June 22: Servicemen's Readjustment Act of 1944 (G.I. Bill of Rights) approved. Provided for special placement services through U.S. Employment Service and readjustment allowances for unemployed and self-employed veterans.

July 1: Public Health Service Act repealed title VI of Social Security Act, expanded Federal-State public health programs, and raised annual amount for grants for general public health services.

October 3: Federal unemployment account authorized in the unemployment trust fund from which, up to July 1947, States might borrow when their own unemployment funds dropped to a certain level.

1946

July 16: Under the President's Reorganization Plan No. 2 of 1946, Social Security Board abolished and its functions tranferred to the Federal Security Administrator, who established the Social Security Administration to carry on programs of Social Security Board and those of the Children's Bureau. The Children's Bureau (except for its child labor functions) transferred to Federal Security Agency by same plan.

July 31: Railroad Retirement Act and Railroad Unemployment Insurance Act amendments established monthly survivor benefits and sickness and maternity benefits; Social Security Act in effect amended by provision making wages in railroad employment applicable for survivor benefits under OASI.

August 10: Social Security Act amended to provide monthly benefits under OASI for survivors of certain World War II veterans, coverage of private maritime employment under State unemployment insurance, temporary unemployment benefits to seamen with wartime Federal employment, permission for States with employee contributions under their unemployment insurance laws to use such funds for temporary disability insurance benefits, greater Federal sharing in public assistance payments for a specified period, and larger grants for maternal and child health and child welfare, as well as extension of these programs to the Virgin Islands.

1947

August 6: Social Security Act amended to hold OASI contribution rate for employers and employees at 1 percent for 1948 and 1949 and to schedule increases to 1½ percent each for 1950 and 1951 and to 2 percent each in 1952 and thereafter. Increased Federal share in public assistance programs extended through June 1950. Authorization for appropriations to special Federal unemployment account, from which States may borrow when their funds are low, extended through 1949.

1948

April 20: Social Security Act amended to exclude certain newspaper and magazine vendors from coverage under OASI and under the Federal Unemployment Tax Act.

June 14: Definition of "employee" as used in the Social Security Act clarified and Federal participation in public assistance payments increased.

July 29: Administration of Federal Credit Union Act transferred to Federal Security Agency, and Bureau of Federal Credit Unions established in Social Security Administration.

1949

August 20: Bureau of Employment Security transferred from Social Security Administration to Labor Department.

June 30: Termination of emergency maternity and infant care program administered by Children's Bureau in cooperation with State health departments.

1950

January 1: Increase in OASI contribution rates effective—to 1½ percent each for employers and employees.

August 28: Social Security Act amended to extend coverage under OASI to about 10 million more persons (including most nonfarm self-employed persons), liberalize the eligibility conditions, improve the retirement test, provide wage credits of $160 a month for military service from September 1940 to July 1947, increase benefits substantially, raise the wage base for tax and benefit computation purposes, provide a new contribution schedule, and eliminate 1944 provision authorizing appropriations to trust fund from General Treasury; in public assistance, to establish program of aid to the permanently and totally disabled, broaden for Federal matching purposes aid to dependent children to include relative with whom child is living, and extend Federal matching provisions to aged and blind persons in certain public medical institutions and to payments made directly to doctors, hospitals, and others supplying medical care to recipients; to approve, for a specified period, certain State plans for aid to the blind, and, in States making assistance payments to persons in institutions, to require standards for such institutions; in the programs for maternal and child health, crippled children's, and child welfare services, to raise maximum authorizations for grants. OASI and public assistance programs extended to Puerto Rico and the Virgin Islands.

October: First payments made under the Federal-State program of aid to the permanently and totally disabled.

December: Midcentury White House Conference on Children and Youth held.

1951

January 1: OASI contribution rate of 2¼ percent of earnings effective for self-employed.

October 20: Revenue Act of 1951 authorized certification of grants for public assistance to States with laws specifying conditions for public access to assistance records if such legislation bars the use of information thus obtained for commercial or political purposes.

October 30: Railroad Retirement Act amended to further coordinate railroad retirement and OASI programs by transferring to OASI wage records of workers who die or retire with less than 10 years' railroad employment; to provide for financial interchanges between systems so that OASI trust fund will be placed in the same position it would have been if railroad employment had always been covered under OASI; and to reduce retirement annuities for persons also getting old-age benefit under OASI if service before 1937 is used in railroad annuity computation.

1952

July 18: Social Security Act amended to increase benefits under OASI, to extend the period of wage credits for military service through December 31, 1953, to liberalize the retirement test, and to change, for a 2-year period, the grant formula for public assistance payments to make additional funds available to the States.

1953

April 11: Reorganization Plan No. 1 abolished Federal Security Agency and transferred all its powers and functions to Department of Health, Education, and Welfare.

May: With approval of Nevada's plan for aid to the blind, all 53 jurisdictions administering such programs.

August 5: Federal Unemployment Tax Act amended to cover Federal seamen under unemployment insurance.

August 8: Uniformed Services Contingency Option Act passed. Provided elective survivor benefits for retired members of the services.

August 14: OASI wage credits of $160 a month provided for active military service performed after 1953 and before July 1, 1955.

1954

January 1: Increase in OASI contribution rates effective —to 2 percent each for employers and employees and to 3 percent for self-employed.

June 16: Railroad Retirement Act amended to repeal 1951 provision barring dual receipt of benefits under that program and under OASI if service before 1937 is used in railroad annuity computation.

August 3: Vocational Rehabilitation Act amended to call for cooperation of vocational rehabilitation agencies with State public assistance agencies, the Bureau of Old-Age and Survivors Insurance, and other public agencies providing services related to vocational rehabilitation.

August 5: Employment Security Administrative Financing Act provided that excess of collections of Federal unemployment tax over employment security administrative expenditures be used to maintain permanent reserve of $200 million in Federal unemployment account, which will lend funds to States with depleted reserves and return amounts over $200 million to States for benefit payments or administrative costs.

August 31: Railroad Retirement Act amended to reduce to 60 the eligibility age for survivor benefits for widows and dependent widowers and for parents and to raise the wage base for contributions and benefits to $350 a month. Railroad Unemployment Insurance Act amended to increase unemployment and sickness benefits.

September 1: Social Security Act amended to extend OASI coverage to farmers, self-employed members of specified professions, additional farm and domestic employees; on a voluntary group basis, to members of State and local government retirement systems; and, at the election of the individual, to ministers and members of religious orders; raise to $4,200 the earnings base for tax and benefit computation purposes; raise ultimate contribution rates; increase benefits; liberalize the retirement test; permit a dropout of 4 or 5 years of lowest earnings in computing benefits; and protect benefit rights of disabled persons through a disability freeze provision. Extended to September 30, 1956, the Federal matching formula for public assistance payments and extended for 2 years approval of certain State laws for aid to the blind.

Social Security Act amended by addition of new title XV to provide unemployment insurance benefits for Federal civilian employees financed by Federal funds and paid by State agencies under their own benefit formulas.

Federal Unemployment Tax Act amended to include firms employing 4 or more in 20 weeks, after January 1, 1956, and to permit experience-rating tax reduction to new or newly covered employers after 1 year's experience (instead of 3).

1955

August 9: Social Security Act amended to extend to April 1, 1956, the period during which wage credits of $160 a month could be provided for military service and extend the time for filing claims for lump-sum death payments with respect to servicemen dying overseas and reburied in this country.

August 12: Railroad Retirement Act amended to increase spouse's annuity and repeal the provision that had barred survivor annuitants from dual receipt of benefits under the railroad and the OASI programs.

1956

June 7: Dependents' Medical Care Act provided for medical and hospital care, on a uniform basis, for the dependents of the uniformed services in service facilities and, for certain dependents of those on active duty, set up the program of "Medicare," authorizing the use of civilian hospitals and physicians.

August 1: Social Security Act amended to provide monthly benefits to permanently and totally disabled workers aged 50–64 under OASI program; pay child's benefits to disabled children (aged 18 or over) of retired or deceased workers, if their disability began before age 18; lower to age 62 the retirement age for widows and female parents, and, on election of a reduced benefit, for wives and women workers; extend coverage to self-employed professional persons (other than doctors of medicine), additional farm owners and operators, and certain State and local government employees; set up a disability insurance trust fund to which ¼ of 1 percent of contributions from employers and employees and ⅜ of 1 percent from the self-employed are allocated and from which disability benefits are paid; reimburse the trust fund for the costs of the gratuitous military wage credits granted veterans earlier and the insured status granted certain deceased World War II veterans; suspend benefits for certain aliens, outside the United States for more than 6 months; permit a judge to terminate benefits of those convicted of treason and subversive activities; exclude from coverage employment for organizations registered as subversive; change the interest rate on certain investments held by the OASDI trust funds; and provide for setting up an Advisory Council on Social Security Financing to review the status of the OASDI trust funds before each scheduled tax increase. Public assistance amendments revised the Federal matching formula to increase the Federal share in assistance payments; establish a new basis for Federal sharing in medical care for recipients, separately from money payments to them; authorize grants for the training of public welfare personnel; and revise the statements of purpose for each program. For child welfare services, the authorization for appropriations was increased. Grants were authorized for cooperative research or demonstration projects relating to the prevention and reduction of dependency.

Servicemen's and Veterans' Survivor Benefits Act amended the Social Security Act by extending regular contributory coverage under old-age and survivors insurance to members of the uniformed services on active duty.

August 3: System of survivor benefits for Federal judges established.

August 7: Railroad Retirement Act amended to increase all benefits except those affected by the "old-age and survivors insurance minimum guarantee" and those under the "average monthly compensation" minimum.

December 28: Secretary of Health, Education, and Welfare approved plan submitted by Tennessee Valley Authority for extending coverage under OASDI to employees covered by its retirement system.

1957

January: First payments with respect to disability paid under OASDI when benefits for this month went to retired or deceased workers' dependent children aged 18 or over with a permanent and total disability that began before age 18. Increase in OASDI contribution rates effective—to 2¼ percent each for employers and employees and to 3⅜ percent for self-employed.

July: Monthly disability benefits first payable under OASDI to insured workers aged 50–64.

July 17: Social Security Act amended to extend to June 30, 1958, an OASDI provision relating to disability freeze applications and to modify the "offset" provision so that receipt of Veterans Administration disability compensation does not mean a reduction of the disability benefit under the Social Security Act.

Another law amended the public assistance provisions to permit States to operate, with respect to Federal sharing in medical care payments, under the 1956 provision for such sharing or to continue to operate as they had before the effective date of the 1956 provision.

August 30: Social Security Act amended to facilitate OASDI coverage for employees of interstate instrumentalities and State and local government employees in certain States, pay benefits, in all cases, to aliens living outside the United States who are survivors of servicemen, revise dependents' eligibility requirements, postpone the deadline for ministers to elect coverage as self-

employed, and specify whether certain remuneration of ministers is to be considered as earnings.

1958

June 4: Temporary Unemployment Compensation Act provided for paying, from July 1957 through March 1959, additional unemployment benefits to workers exhausting their benefit rights under the regular State program, with the Federal Government advancing the funds.

August–September: Visit of U.S. social security officials to Soviet Union under East-West cultural exchange program.

August 28: Social Security Act amended to increase benefits under OASDI, provide benefits for dependents of disabled-worker beneficiaries, raise to $4,800 the amount of earnings taxable and creditable for benefit purposes, set new schedule for contribution rates, raise to $100 the amount of monthly wages a beneficiary with earnings higher than $1,200 a year may have without losing benefits, repeal the provision that reduced disabled-worker and disabled child's benefits by the amount of certain other disability payments received, make minor changes in eligibility requirements for the disability freeze and for certain dependents, extend coverage to turpentine workers and additional State and local government employees and nonprofit organization employees, credit self-employment earnings from an individual's partnership in the year of his death, provide wage credits of $160 a month for American citizens' military service in World War II for certain foreign countries, and postpone the deadline for certain ministers to elect coverage as self-employed.

Public assistance amendments revised the formula for Federal sharing in State assistance expenditures by shifting to an average single monthly limitation on the amount to which the Federal Government will contribute for money and medical care payments combined and relating Federal participation in part to the fiscal capacity of each State; extended the program to Guam; and raised the dollar limitations on the Federal payments to Puerto Rico and the Virgin Islands.

Child health and welfare programs amended to raise maximum authorizations for Federal appropriations for all three programs, make grants available to Guam, remove the provisions relating to the use of Federal child welfare funds in predominantly rural areas, revise the allotment formula for child welfare funds, provide for variable matching of child welfare funds (based on State per capita income), broaden provisions on use of Federal child welfare funds for return of runaway children, permit reallotment of Federal child welfare funds.

August 28: Title XV of the Social Security Act amended by Ex-Servicemen's Unemployment Compensation Act, which set up a permanent unemployment insurance program for ex-servicemen like that for Federal employees.

September 6: Railroad Retirement Act and Social Security Act amended to revise certain provisions relating to coordination between the railroad and OASDI programs that concern disability freeze determinations and eligibility for certain survivors and certain railroad workers residing outside the United States.

1959

January 1: Increase in OASDI contribution rates effective—to 2½ percent each for employers and employees and to 3¾ percent for self-employed.

January: Advisory Council on Social Security Financing, required by Social Security Amendments of 1956, submitted its report on status of OASDI trust funds and called for no major change in financing methods.

March 31: Program for additional unemployment benefits for workers exhausting benefits under regular State programs extended for 3 months.

April 2: Secretary of Health, Education, and Welfare submitted to the House Ways and Means Committee the report on the study requested by the Committee on "alternative ways of providing insurance against the costs of hospital and nursing home care for old-age, survivors, and disability insurance beneficiaries."

May 19: Railroad Retirement Act amended to increase benefit amounts, raise the taxable wage base to $400 a month, liberalize the disability earnings test, lower the retirement age for women, increase future tax rates, and adjust the OASDI minimum guarantee provision.

Railroad Unemployment Insurance Act amended to increase benefit rates for unemployment and for sickness, raise the qualifying earnings requirement, raise the taxable wage base to $400 a month, revise the schedule for employer contributions, and provide for extended unemployment benefits on a permanent basis.

August 29: Veterans' Pension Act revised nonservice-connected pension programs by setting up a sliding scale of benefits, related to need, for those going on the rolls after June 30, 1960; and by providing pensions to widows and children of deceased veterans of World War II and the Korean conflict.

September 22: Federal Credit Union Act rewritten. Changes include raising of limit on unsecured loans to $750, increasing maximum maturity of loans to 5 years, authorization to cash and sell checks to members for a fee, and requiring repayment or amortization of loans according to Bureau of Federal Credit Union regulations.

December 28: Advisory Council on Child Welfare Services submitted to the Secretary of Health, Education, and Welfare and to Congress its report on implementing the child welfare provisions in the Social Security Amendments of 1958.

December 31: Advisory Council on Public Assistance submitted to the Secretary of Health, Education, and Welfare and to Congress its report on the status of the public assistance program.

1960

January 1: Increase in OASDI contribution rates effective—to 3 percent each for employers and employees and to 4½ percent for self-employed.

March 27–April 2: Sixth White House Conference on Children and Youth held.

April 22: Social Security Act amended to provide fully insured status under OASDI for certain persons who had not obtained needed quarters of coverage because wages earned in 1 calendar quarter had been paid and credited in a later quarter; and to permit, in the unemployment compensation program for Federal civilian workers, lump-sum terminal annual-leave payments to be treated in accordance with State law.

References on the Origin and Development of Social Security in the United States*

BASIC DOCUMENTS

U.S. Committee on Economic Security. *Report to the President.* Washington: U.S. Govt. Print. Off., 1935. 74 pp.
The basis of the Social Security Act of 1935.

———. *Social Security in America: The Factual Background of the Social Security Act as Summarized from Staff Reports to the Committee on Economic Security.* Published for the Committee on Economic Security by the Social Security Board. Washington: U.S. Govt. Print. Off., 1937. 592 pp.
A study of the Social Security Act of 1935. Includes the background of the act in this country and European experience.

U.S. Congress. House. Committee on Labor. *Unemployment, Old Age, and Social Insurance. Hearings, 74th Congress, 1st Session, on H. R. 2827, 2829, 185, and 10.* Washington: U.S. Govt. Print. Off., 1935. 726 pp.

——— ———. Committee on Ways and Means. *Economic Security Act. Hearings on H. R. 4120, 74th Congress, 1st Session.* Washington: U.S. Govt. Print. Off., 1935. 1,141 pp.

——— ——— ———. *The Social Security Bill.* (H. Rept. 615 on H. R. 7260, 74th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1935. 45 pp.

———. Senate. Committee on Finance. *Economic Security Act. Hearings on S. 1130, 74th Congress, 1st Session.* Washington: U. S. Govt. Print. Off., 1935. 1,354 pp.

——— ——— ———. *The Social Security Bill.* (S. Rept. 628 on H. R. 7260, 74th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1935. 55 pp.

U.S. Department of Health, Education, and Welfare. Social Security Administration. *Annual Report of the Social Security Administration.* Washington: U.S. Govt. Print. Off., 1937—.
Reports for fiscal years 1936–46 were issued as *Annual Report of the Social Security Board.* Since 1953 the reports constitute a section of the *Annual Report of the Department of Health, Education, and Welfare.*

AMENDMENTS OF 1939

U.S. Advisory Council on Social Security. *Final Report . . . December 10, 1938.* (S. Doc. 4, 76th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1939. 29 pp.

U.S. Congress. House. Committee on Ways and Means. *Social Security. Hearings Relative to the Social Security Act Amendments of 1939, 76th Congress, 1st Session.* Washington: U.S. Govt. Print. Off., 1939. 3 vols.

——— ——— ———. *Social Security Act Amendments of 1939.* (H. Rept. 728 on H. R. 6635, 76th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1939. 121 pp.

———. Senate. Committee on Finance. *Social Security Act Amendments. Hearings on H. R. 6635, 76th Congress, 1st Session.* Washington: U.S. Govt. Print. Off., 1939. 554 pp.

——— ——— ———. *Social Security Act Amendments of 1939.* (S. Rept. 734 on H.R. 6635, 76th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1939. 39 pp.

U.S. Social Security Board. *Proposed Changes in the Social Security Act: A Report of the Social Security Board to the President and Congress of the United States.* Washington: U.S. Govt. Print. Off., 1939. 29 pp. (Also printed as H. Doc. 110 (76th Cong., 1st sess.), with text of message from the President, and in the Bulletin, January 1939, pp. 4–19.)

AMENDMENTS OF 1946

Murray, Angela J. "Social Security Act Amendments of 1946." *Social Security Bulletin,* Vol. 9, Sept. 1946, pp. 2–8.

U.S. Congress. House. Committee on Ways and Means. *Amendments to Social Security Act. Hearings . . . 79th Congress, 2d Session, on Social Security Legislation.* Washington: U.S. Govt. Print. Off., 1946. 3 vols.

——— ——— ———. *Social Security Act Amendments of 1946.* (H. Rept. 2526 on H.R. 7037, 79th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1946. 42 pp.

——— ——— ———. Social Security Technical Staff. *Issues in Social Security . . .* Washington: U.S. Govt., Print. Off., 1946. 742 pp.
Describes the insurance and assistance programs and evaluates proposed changes.

———. Senate. Committee on Finance. *Social Security Act Amendments of 1946.* (S. Rept. 1862 on H. R. 7037, 79th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1946. 41 pp.

AMENDMENTS OF 1950

Cohen, Wilbur J., and Myers, Robert J. "Social Security Act Amendments of 1950: A Summary and Legislative History." *Social Security Bulletin,* Vol. 13, Oct. 1950, pp. 3–14.

U.S. Advisory Council on Social Security. *Recommendations for Social Security Legislation. A Report to the Senate Committee on Finance from the Advisory Council on Social Security.* (S. Doc. 208, 80th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1949. 236 pp.
The Council's reports on old-age and survivors insurance, permanent and total disability insurance, public assistance, and unemployment insurance.

---

*Prepared in the Library, Department of Health, Education, and Welfare.

U.S. Congress. House. Committee on Ways and Means. *Social Security Act Amendments of 1949.* (H. Rept. 1300 on H. R. 6000, 81st Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1949. 207 pp.

——— ——— ———. *Social Security Act Amendments of 1949. Hearings on H. R. 2892 and H. R. 2893, 81st Congress, 1st Session.* Washington: U.S. Govt. Print. Off., 1949. 2 vols.

———. Senate. Committee on Finance. *Social Security Act Amendments of 1950.* (S. Rept. 1669 on H. R. 6000, 81st Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1950. 319 pp.

——— ——— ———. *Social Security Revision. Hearings, 81st Congress, 2d Session, on H. R. 6000, An Act To Extend and Improve the Federal Old-Age and Survivors Insurance System, To Amend the Public Assistance and Child Welfare Provisions of the Social Security Act, and for Other Purposes.* Washington: U.S. Govt. Print. Off., 1950. 3 vols.

AMENDMENTS OF 1952

Cohen, Wilbur J. "Social Security Act Amendments of 1952." *Social Security Bulletin*, Vol. 15, Sept. 1952, pp. 3–9.

U.S. Congress. House. Committee on Ways and Means. *Social Security Act Amendments of 1952.* (H. Rept. 1944 on H. R. 7800, 82d Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1952. 51 pp.

———. Senate. Committee on Finance. *Social Security Act Amendments of 1952.* (S. Rept. 1806 on H. R. 7800, 82d Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1952. 36 pp.

AMENDMENTS OF 1954

Cohen, Wilbur J.; Ball, Robert M.; and Myers, Robert J. "Social Security Act Amendments of 1954: A Summary and Legislative History." *Social Security Bulletin*, Vol. 17, Sept. 1954, pp. 3–18.

Consultants on Social Security. *A Report to the Secretary of Health, Education, and Welfare on Extension of Old-Age and Survivors Insurance to Additional Groups of Current Workers.* Washington: U.S. Govt. Print. Off., 1953. 32 pp. (Summarized in the Bulletin September 1953.)

U.S. Congress. House. Committee on Ways and Means. *Social Security Act Amendments of 1954. Hearings, 83d Congress, 2d Session, on H. R. 7199.* Washington: U.S. Govt. Print. Off., 1954. 883 pp.

——— ——— ———. *Social Security Amendments of 1954.* (H. Rept. 1698 on H. R. 9366, 83d Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1954. 98 pp.

——— ——— ———. Subcommittee on Social Security. *Analysis of the Social Security System. Hearings, 83d Congress, 1st Session.* Washington: U.S. Govt. Print. Off., 1953 and 1954. 6 parts and appendixes I and II.

———. Senate. Committee on Finance. *Social Security Amendments of 1954.* (S. Rept. 1987 on H. R. 9366, 83d Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1954. 183 pp.

——— ——— ———. *Social Security Amendments of 1954. Hearings, 83d Congress, 2d Session, on H. R. 9366.* Washington: U.S. Govt. Print. Off., 1954. 746 pp.

AMENDMENTS OF 1956

Schottland, Charles I. "Social Security Amendments of 1956: A Summary and Legislative History." *Social Security Bulletin*, Vol. 19, Sept., 1956, pp. 3–15 f.

U.S. Congress. House. Committee on Ways and Means. *Actuarial Cost Estimates for the Old-Age, Survivors, and Disability Insurance System as Modified by Amendments to the Social Security Act in 1956*, by Robert J. Myers. Washington: U.S. Govt. Print. Off., 1956. 14 pp.

——— ——— ———. *Public Assistance Titles of the Social Security Act. Hearings, 84th Congress, 2d Session on H. R. 9120, 9091, 10283, and 10284.* Washington: U.S. Govt. Print. Off., 1956. 358 pp.

——— ——— ———. *Social Security Act Amendments of 1955.* (H. Rept. 1189 on H. R. 7225, 84th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1955. 72 pp.

———. Senate. Committee on Finance. *Social Security Act Amendments of 1955. Hearings, 84th Congress, 2d Session on H. R. 7225.* Washington: U.S. Govt. Print. Off., 1956. 3 vols.

——— ——— ———. *Social Security Act Amendments of 1956.* (S. Rept. 2133 on H. R. 7225, 84th Cong., 2d sess.) Washington: U.S. Govt. Print Off., 1956. 141 pp.

AMENDMENTS OF 1957

"Social Security Act Amended." *Social Security Bulletin*, Vol. 20, Aug. 1957, pp. 1–2 f.

U.S. Congress. House. Committee on Ways and Means. *Public Assistance Medical Care Provisions of Social Security Act.* (H. Rept. 496 on H. R. 7238, 85th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1957. 9 pp.

———. Senate. Committee on Finance. *Medical Care Vendor Payments.* (S. Rept. 473 on H. R. 7238, 85th Cong., 1st sess.) Washington: U.S. Govt. Print. Off., 1957. 13 pp.

AMENDMENTS OF 1958

Schottland, Charles I. "Social Security Amendments of 1958: A Summary and Legislative History." *Social Security Bulletin*, Vol. 21, Oct. 1958, pp. 3–14.

U.S. Congress. House. Committee on Ways and Means. *Social Security Legislation. Hearings, 85th Congress, 2d Session, on All Titles of the Social Security Act.* Washington: U.S. Govt. Print. Off., 1958. 1,205 pp.

——— ——— ———. *Social Security Amendments of 1958.* (H. Rept. 2288 on H. R. 13549, 85th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1958. 79 pp.

———. Senate. Committee on Finance. *Social Security. Hearings, 85th Congress, 2d Session, on H. R. 13549.* Washington. U.S. Govt. Print. Off., 1958. 448 pp.

——— ——— ———. *Social Security Act Amendments of 1958.* (S. Rept. 2388 on H. R. 13549, 85th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1958. 78 pp.

U.S. LAWS. *Compilation of the Social Security Laws, Including the Social Security Act, as Amended, and Related Enactments Through December 31, 1958.* Compiled by the Social Security Administration, Department of Health, Education, and Welfare. Washington: U.S. Govt. Print. Off., 1959. 402 pp.

BACKGROUND REFERENCES

ABBOTT, GRACE. *From Relief to Social Security: The Development of the New Public Welfare Services and Their Administration.* Chicago: University of Chicago Press, 1941. 38 pp.
Papers written during 1929–39 on the early relief programs and the Social Security Act.

ARMSTRONG, BARBARA N. *Insuring the Essentials: Minimum Wage, Plus Social Insurance—A Living Program.* New York: The Macmillan Co., 1932. 717 pp.
Reviews the evolution of the social insurance and minimum wage programs adopted in different parts of the world and analyzes their trend and probable future.

BROWN, JOSEPHINE C. *Public Relief 1929–1939.* New York: Henry Holt and Co., 1940. 524 pp.
A graphic account of the decade in which responsibility for unemployment relief shifted from a private to a public service.

EPSTEIN, ABRAHAM. *Insecurity: A Challenge to America. A Study of Social Insurance in the United States and Abroad.* (2d rev. ed.) New York: Random House, 1938. 939 pp.

RUBINOW, I. M. *The Quest for Security.* New York: Henry Holt & Co., 1934. 638 pp.
The need for protection from financial loss incident to accidents, illness, old age, and unemployment.

U.S. NATIONAL RESOURCES PLANNING BOARD. COMMITTEE ON LONG-RANGE WORK AND RELIEF POLICIES. *Security, Work, and Relief Policies, 1942.* Washington: U.S. Govt. Print. Off., 1942. 640 pp.
An analysis of public aid in the United States, including social insurance, assistance and relief, work programs, and related activities.

GENERAL REFERENCES

BLACKWELL, GORDON W., and GOULD, RAYMOND F. *Future Citizens All.* Chicago: American Public Welfare Association, 1952. 181 pp.
A nationwide study of aid to dependent children. (Summarized in the BULLETIN, January 1953, pp. 9–13.)

BURNS, EVELINE M. *Social Security and Public Policy.* New York: McGraw-Hill Book Co., 1956. 291 pp.
An analysis of the factors influencing policy decisions in the field of social security. Considers types of payment, amount, and eligibility conditions; risks covered; financing; and administration.

"The Children's Titles in the Social Security Act: I. Origin of the Social Welfare Provisions," by Katharine F. Lenroot, "II. The Growth of Child Welfare Services," by Mildred Arnold, "III. Origin and Development of the Health Services," by Martha M. Eliot, "IV. Health Services—Accomplishments and Outlook," by Arthur J. Lesser. *Children,* Vol. 7, July–Aug. 1960, pp. 127–150.

FRIEDLANDER, WALTER A. *Introduction to Social Welfare.* New York: Prentice-Hall, Inc., 1955. 683 pp.
Traces the development of social welfare in Great Britain and the United States and describes the present system and its administration.

HOGAN, JOHN D., and IANNI, FRANCIS A. J. *American Social Legislation.* New York: Harper & Bros., 1956. 713 pp.
A study of social legislation and the forces that have given it its present structure. Discusses family legislation, the labor movement and labor law, and the background and philosophy of social assistance and social insurance, as well as the insurance and assistance features of the Social Security Act.

LEYENDECKER, HILARY M. *Problems and Policy in Public Assistance.* New York. Harper & Bros., 1955. 400 pp.
Considers the origin, development, general characteristics, and administration of public assistance.

Social Work Year Book, 1960. A Description of Organized Activities in Social Work and in Related Fields. Russell H. Kurtz, editor. 14th issue. New York: American Association of Social Workers, 1960. 767 pp.
Signed articles, supplemented by reading lists.

TURNBULL, JOHN G.; WILLIAMS, C. ARTHUR; and CHEIT, EARL F. *Economic and Social Security: Public and Private Measures Against Economic Insecurity.* New York: Ronald Press Co., 1957. 539 pp.
Considers the major problems of economic insecurity and public and private methods of combating them.

U.S. ADVISORY COUNCIL ON CHILD WELFARE SERVICES. *Report . . .* (S. Doc. 92, 86th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1960. 50 pp.
The Council's report and recommendations on major problems and issues.

U.S. ADVISORY COUNCIL ON PUBLIC ASSISTANCE. *Public Assistance: A Report . . .* (S. Doc. 93, 86th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1960. 137 pp.
The Council's findings and recommendations.

U.S. ADVISORY COUNCIL ON SOCIAL SECURITY FINANCING. *Financing Old-Age, Survivors, and Disability Insurance. A Report . . .* Washington: U.S. Govt. Print. Off., 1959. 30 pp.
Findings and recommendations. (Reprinted in the BULLETIN, February 1959.)

U.S. BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND DISABILITY INSURANCE TRUST FUNDS. *20th Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.* (H. Doc. 352, 86th Cong., 2d sess.) Washington: U.S. Govt. Print. Off., 1960. 58 pp.
Report on the operations of the two trust funds for the fiscal year ended June 1959, with estimates for the next 5 years.

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE. SOCIAL SECURITY ADMINISTRATION. *Social Security in the United States.* Washington: U.S. Govt. Print. Off., 1959. 58 pp.
The development of social security in this country, its place in American life, and the programs under the Social Security Act as well as related programs.

——— ———. *Basic Readings in Social Security*, compiled by the Departmental Library. (Publication No. 28—25th anniversary issue.) Washington: U.S. Govt. Print. Off., 1960. 221 pp.

A bibliography of significant books, pamphlets, and articles on the Social Security Act, the programs administered under the Act, and related subjects.

——— ———. BUREAU OF OLD-AGE AND SURVIVORS INSURANCE. *Your Social Security: Old-Age, Survivors, and Disability Insurance Benefits Under the Social Security Law*. (OASI–35.) Washington: U.S. Govt. Print. Off., 1960. 41 pp.

A detailed, nontechnical explanation.

——— ———. BUREAU OF PUBLIC ASSISTANCE. *Characteristics of General Assistance in the United States*. (Public Assistance Report No. 39.) Washington: U.S. Govt. Print. Off., 1959. 119 pp.

A study prepared for the Senate Special Committee on Unemployment Problems. Includes a general description of the program in each State, eligibility conditions, standards of assistance and payment, administration, and other aid from public funds.

——— ——— ———. *Characteristics of State Public Assistance Plans Under the Social Security Act: Old-Age Assistance, Aid to the Blind, Aid to Dependent Children, Aid to the Permanently and Totally Disabled*. (Public Assistance Report No. 40.) Washington: U.S. Govt. Print. Off., 1960. 116 pp.

——— ——— ———. *Trend Report: Graphic Presentation of Public Assistance and Related Data*. Washington: The Bureau, 1959. 73 pp.

Information on the development of the public assistance programs under the Social Security Act since 1935. An annual release.

——— ———. CHILDREN'S BUREAU. *Child Welfare Services: How They Help Children and Their Parents*, by Annie Lee Sandusky. (Children's Bureau Publication No. 359.) Washington: U.S. Govt. Print. Off., 1957. 94 pp.

U.S. DEPARTMENT OF LABOR. BUREAU OF EMPLOYMENT SECURITY. *Comparison of State Unemployment Insurance Laws as of January 1958*. Washington: U.S. Govt. Print. Off., 1958. 145 pp.

Includes information on the three temporary disability insurance programs coordinated with unemployment insurance.

U.S. INTERDEPARTMENTAL COMMITTEE ON CHILDREN AND YOUTH. *Children in a Changing World: A Book of Charts*. Washington: Golden Anniversary White House Conference on Children and Youth, 1960. 84 pp.

Seventy charts grouped under the following headings: The Changing World, The Children and Their Problems, What Is Being Done, and Implications for the Future.

VASEY, WAYNE. *Government and Social Welfare: Roles of Federal, State, and Local Governments in Administering Welfare Services*. New York: Henry Holt & Co., 1958. 506 pp.

Considers the scope of needs and services, the changing philosophy of governmental responsibility, and the role of the voluntary agency in social welfare. Describes the social insurance and public assistance programs and the growing scope of public welfare. Discusses intergovernmental relations in social welfare administration and Federal, State, and local organization.

ZIETZ, DOROTHY. *Child Welfare: Principles and Methods*. New York: John Wiley & Sons, 1959. 384 pp.

A chronological history of the child welfare movement in the United States. Surveys services for the handicapped child and considers the development of casework, social group work, and community organization as basic methods in social work to meet the needs of children. Includes a discussion of the origin and work of the Children's Bureau and the various White House Conferences for Children.

Current Operating Statistics

TABLE 1.—*Selected social insurance and related programs, by specified period, 1940–60*

[In thousands; data corrected to June 8, 1960]

Year and month	Total	Retirement, disability, and survivor insurance											Unemployment insurance		
		Monthly retirement and disability benefits [1]				Survivor benefits						Temporary disability benefits, Railroad Unemployment Insurance Act [9]	State laws [10]	Veterans' legislation [11]	Railroad Unemployment Insurance Act [9]
						Monthly				Lump sum [7]					
		Social Security Act	Railroad Retirement Act	Civil Service Commission [2]	Veterans Administration [3]	Social Security Act [4]	Railroad Retirement Act [5]	Civil Service Commission [2]	Veterans Administration [6]	Social Security Act	Other [8]				
	Number of beneficiaries														
1959															
Apr.	----------	9,833.5	496.8	331.2	2,912.3	3,133.9	240.4	137.9	([12])	71.9	17.7	24.4	2,028.1	19.3	68.7
May	----------	9,910.3	498.5	333.0	2,923.7	3,157.4	240.7	139.2	([12])	65.6	15.3	20.2	1,588.1	12.7	42.9
June	----------	9,997.9	501.0	335.9	2,934.2	3,183.5	242.7	140.6	1,210.4	65.6	16.3	22.2	1,305.3	10.6	40.7
July	----------	10,083.1	504.4	338.2	2,943.3	3,205.1	242.0	137.6	([12])	58.5	14.3	24.8	1,192.4	10.5	40.9
Aug.	----------	10,165.9	508.6	340.6	2,950.1	3,229.9	242.8	138.7	([12])	68.5	13.4	31.1	1,170.7	10.0	74.1
Sept.	----------	10,236.2	514.0	342.9	2,954.5	3,249.9	243.5	139.7	1,225.5	63.8	13.9	34.8	1,162.9	8.2	85.5
Oct.	----------	10,303.1	518.2	345.3	2,962.9	3,273.0	243.9	140.7	([12])	65.5	15.3	33.0	1,111.9	4.1	96.0
Nov.	----------	10,353.5	521.9	347.6	2,968.0	3,290.8	245.3	141.6	([12])	57.2	13.1	32.2	1,354.9	3.9	90.3
Dec.	----------	10,392.2	522.8	349.9	2,972.1	3,311.7	245.9	142.5	1,221.7	62.2	15.1	36.1	1,626.2	4.2	83.4
1960															
Jan.	----------	10,450.1	526.4	352.4	2,970.1	3,330.1	246.9	143.3	([12])	59.7	14.2	34.1	1,906.4	4.1	73.6
Feb.	----------	10,503.5	529.4	355.1	2,971.6	3,347.2	247.3	144.7	([12])	59.4	14.2	28.6	1,975.9	2.1	74.6
Mar.	----------	10,592.7	532.6	357.0	2,973.1	3,369.1	248.5	145.9	([12])	77.8	19.2	29.4	2,078.1	.1	73.0
Apr.	----------	10,665.2	534.5	359.5	2,980.5	3,392.5	249.4	147.3	([12])	72.8	17.2	25.2	1,881.0	----------	48.6
	Amount of benefits [13]														
1940	$1,183,462	$17,150	$114,166	$62,019	$317,851	$6,371	$1,448	----------	$105,696	$11,833	$12,267	----------	$518,700	----------	$15,961
1941	1,079,648	51,169	119,912	64,933	320,561	23,644	1,559	----------	111,799	13,270	13,943	----------	344,321	----------	14,537
1942	1,124,351	76,147	122,806	68,115	325,265	39,523	1,603	----------	111,193	15,005	14,342	----------	344,084	----------	6,268
1943	911,696	92,943	125,795	72,961	331,350	55,152	1,704	----------	116,133	17,843	17,255	----------	79,643	----------	917
1944	1,104,638	113,487	129,707	77,193	456,279	73,451	1,765	----------	144,302	22,034	19,238	----------	62,385	$4,215	582
1945	2,047,025	148,107	137,140	83,874	697,830	99,651	1,772	----------	254,238	26,127	23,431	----------	445,866	126,630	2,359
1946	5,135,413	222,320	149,188	94,585	1,268,984	127,933	1,817	----------	333,640	27,851	30,610	----------	1,094,850	1,743,718	39,917
1947	4,658,540	287,554	177,053	106,876	1,676,029	149,179	19,283	----------	382,515	29,460	33,115	$11,368	776,165	970,542	39,401
1948	4,454,705	352,022	208,642	132,852	1,711,182	171,837	36,011	$918	413,912	32,315	32,140	30,843	793,265	510,167	28,599
1949	5,613,168	437,420	240,893	158,973	1,692,215	196,586	39,257	4,317	477,406	33,158	31,771	30,103	1,737,279	430,194	103,596
1950	5,196,761	651,409	254,240	175,787	1,732,208	276,945	43,884	8,409	491,579	32,740	33,578	28,099	1,373,426	34,653	59,804
1951	5,503,855	1,321,061	268,733	196,529	1,647,938	506,803	49,527	14,014	519,398	57,337	33,356	26,297	840,411	2,234	20,217
1952	6,285,237	1,539,327	361,200	225,120	1,722,225	591,504	74,085	19,986	572,983	63,298	37,251	34,689	998,237	3,539	41,793
1953	7,353,396	2,175,311	374,112	269,300	1,840,437	743,536	83,319	27,325	613,475	87,451	43,377	45,150	962,221	41,698	46,684
1954	9,455,374	2,697,982	428,900	298,126	1,921,380	879,952	93,201	32,530	628,801	92,229	41,480	49,173	2,026,866	107,666	157,088
1955	10,275,552	3,747,742	438,970	335,876	2,057,515	1,107,541	121,847	39,362	688,426	112,871	42,233	51,945	1,350,268	87,672	93,284
1956	11,193,067	4,361,231	490,445	400,647	2,101,798	1,244,073	133,171	49,675	699,204	109,304	41,895	49,538	1,380,726	60,917	70,443
1957	13,560,263	5,744,490	538,501	474,841	2,180,509	1,520,749	143,826	58,265	748,660	138,785	47,278	51,292	1,766,445	53,087	93,535
1958	17,511,784	6,722,871	570,741	561,988	2,382,215	1,720,146	153,947	74,185	794,253	132,908	56,043	51,920	3,979,708	82,035	228,824
1959	18,157,957	8,063,765	657,209	641,914	2,474,428	2,063,303	180,883	93,713	818,984	171,295	66,487	66,160	2,617,913	17,391	224,536
1959															
Apr.	1,484,747	628,174	49,518	52,415	206,796	162,046	13,783	7,643	68,519	14,955	6,627	3,203	259,950	2,019	9,099
May	1,420,158	633,673	49,761	52,865	206,287	163,626	13,826	7,730	68,851	13,646	5,675	4,221	190,106	1,250	8,641
June	1,425,035	640,167	55,192	53,520	207,191	165,378	15,345	7,798	68,800	13,676	6,173	7,153	162,326	1,114	21,202
July	1,419,346	646,819	55,232	53,377	207,399	166,893	15,344	7,827	68,447	12,225	5,039	5,760	154,918	1,148	18,918
Aug.	1,425,819	653,399	55,529	54,071	206,062	168,648	14,435	7,945	68,229	14,422	5,073	7,418	142,284	990	27,314
Sept.	1,442,015	658,585	56,001	54,593	207,868	169,961	15,536	8,004	68,093	13,385	5,295	7,079	150,692	845	26,078
Oct.	1,445,507	663,819	56,382	54,888	209,245	171,498	15,579	8,083	68,520	13,781	5,656	6,596	145,249	401	25,810
Nov.	1,475,375	667,714	56,750	55,406	207,780	172,760	15,700	8,092	68,258	12,054	5,246	6,108	177,456	358	21,693
Dec.	1,536,502	670,930	56,847	56,165	209,539	174,214	15,756	8,251	68,535	13,080	5,803	6,614	231,145	417	19,206
1960															
Jan.	1,553,357	676,353	57,285	56,295	207,037	175,538	15,843	8,312	68,629	12,558	5,406	5,709	247,448	361	16,582
Feb.	1,569,036	681,256	57,966	57,039	206,229	176,811	15,896	8,403	68,589	12,573	5,158	4,512	260,671	178	13,754
Mar.	1,628,260	688,603	58,424	57,226	208,979	178,378	15,995	8,552	68,740	16,412	7,129	5,217	301,217	14	13,374
Apr.	1,579,025	694,260	58,666	57,801	209,335	180,028	16,096	8,628	69,061	15,256	6,297	3,969	249,214	----------	10,414

[1] Under Social Security Act, (1) retirement benefits—old-age, wife's, and husband's benefits and benefits (partly estimated) to children of old-age beneficiaries (including disabled children aged 18 or over, beginning Jan. 1957) and (2) disability benefits— beginning July 1957 to disabled workers aged 50–64 and, beginning Oct. 1958, to their dependent wives, husbands, and children (including disabled children aged 18 or over). Beginning Dec. 1951, includes spouse's annuities under Railroad Retirement Act.

[2] Data for civil-service retirement and disability fund; excludes noncontributory payments made under Panama Canal Construction Annuity Act. Through June 1948, retirement and disability benefits include payments to survivors under joint and survivor elections.

[3] Pensions and compensation, and subsistence payments to disabled veterans undergoing training.

[4] Mother's, widow's, widower's, parent's, and child's benefits; beginning Jan. 1957, includes payments (partly estimated) to deceased workers' disabled children aged 18 or over.

[5] Annuities to widows under joint and survivor elections and, beginning Feb. 1947, survivor benefits—widow's, widower's (first paid Dec. 1951), widowed mother's, parent's, and child's.

[6] Payments to veterans' widows, parents, and children; number, end of quarter.

[7] Number of decedents on whose account lump-sum payments were made.

[8] Under railroad retirement, Federal civil-service, and veterans' programs.

[9] Represents average number of beneficiaries in a 14-day registration period; temporary disability benefits first payable July 1947.

[10] Represents average weekly number of beneficiaries; includes payments to unemployed Federal workers from Jan. 1955 and to unemployed ex-servicemen from Nov. 1958, made by the States as agents of the Federal Government. Includes temporary unemployment compensation programs, June 1958–July 1959.

[11] From Sept. 1944 to July 1949, under Servicemen's Readjustment Act, readjustment allowances to unemployed and self-employed veterans of World War II. From Oct. 1952 to Jan. 1960, under Veterans' Readjustment Assistance Act, unemployment compensation benefits to veterans. Some payments were made in these programs after the expiration dates. Number represents average weekly claims paid.

[12] Not available.

[13] Payments: under Social Security Act annual data represent Treasury disbursements and, under Railroad Retirement Act, amounts certified (for both programs monthly benefit data, by month, are for benefits in current-payment status); under Railroad Unemployment Insurance Act, amounts certified; for Veterans Administration programs, except readjustment allowance program, disbursements; under State unemployment insurance laws, Servicemen's Readjustment Act, and Veterans' Readjustment Assistance Act, checks issued; for civil-service programs, disbursements through June 1949 and authorizations from July 1949. Civil-service and railroad unemployment insurance data adjusted monthly; other data adjusted annually.

Source: Based on reports of administrative agencies.

TABLE 2.—*Contributions and taxes collected under selected social insurance and related programs, by specified period, 1957–60*

[In thousands]

Period	Retirement, disability, and survivor insurance				Unemployment insurance		
	Federal insurance contributions [1]		Federal civil-service contributions [2]	Railroad retirement insurance contributions	State unemployment insurance contributions [3]	Federal unemployment taxes [4]	Railroad unemployment insurance contributions [5]
	Retirement and survivor	Disability					
Fiscal year:							
1957–58 [6]	$7,266,985	$926,403	$1,259,041	$575,282	$1,500,397	$335,880	$99,891
1958–59 [6]	7,565,086	894,995	1,515,852	525,369	1,675,286	324,020	102,014
10 months ended:							
April 1958	5,440,833	678,311	1,033,155	461,981	1,195,285	333,084	73,746
April 1959	5,700,536	669,457	1,260,758	409,679	1,251,302	321,762	73,243
April 1960	6,961,556	721,339	1,262,332	474,933	1,605,274	338,346	114,686
1959							
April	626,778	58,719	122,376	16,166	259,635	1,432	830
May	1,278,210	159,230	131,554	70,049	413,056	1,312	10,015
June [6]	586,339	66,308	123,540	45,641	10,928	945	18,756
July	298,757	31,777	109,093	20,148	245,078	701	1,017
August	1,251,509	137,055	125,141	85,432	370,076	743	9,433
September	595,180	58,729	129,659	51,849	14,503	575	22,947
October	245,584	23,793	129,137	16,448	135,262	2,337	757
November	904,629	101,374	112,143	82,366	257,110	664	10,510
December	431,406	46,977	150,130	51,111	21,095	567	29,426
1960							
January	209,479	22,399	105,657	16,153	79,915	26,461	543
February	1,243,390	124,233	129,785	84,457	195,206	283,183	3,947
March	1,006,980	93,034	149,400	49,942	13,238	20,774	35,223
April	774,642	81,968	122,188	17,028	273,789	2,339	884

[1] Represents contributions of employees, employers, and the self-employed in employments covered by old-age and survivors insurance and, beginning January 1957, by disability insurance; beginning January 1951, on an estimated basis, with suitable subsequent adjustments; beginning May 1951, includes deposits in the trust fund(s) by States under voluntary coverage agreements; beginning December 1952 (January 1959 for disability insurance), adjusted for employee-tax refunds; excludes transfers (which began July 1959) from the railroad retirement account to the disability insurance trust fund under the financial interchange provisions of the Railroad Retirement Act.

[2] Represents employee and employing agency (Government) contributions to the civil-service retirement and disability fund.

[3] Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 3 States, contributions from employees; excludes contributions collected for deposit in State temporary disability insurance funds. Data reported by State agencies.

[4] Represents taxes paid by employers under the Federal Unemployment Tax Act.

[5] Beginning 1947, also covers railroad temporary disability insurance.

[6] Except for State unemployment insurance, as shown in the *Final Statement of Receipts and Expenditures of the U. S. Government.*

Source: *Monthly Statement of Receipts and Expenditures of the U. S. Government* and other Treasury reports, unless otherwise noted.

TABLE 3.—*Status of the old-age and survivors insurance and disability insurance trust funds, by specified period, 1937–60*

[In thousands]

Period	Receipts		Transfers under financial interchange with railroad retirement account [3]	Expenditures		Assets at end of period		
	Net contribution income and transfers [1]	Interest received [2]		Benefit payments	Administrative expenses [4]	Invested in U. S. Government securities [5]	Cash balances	Total assets
	Old-age and survivors insurance trust fund							
Cumulative, January 1937–April 1960 [6]	$70,411,441	$5,876,648	−$395,900	$54,374,552	$1,636,579	$18,911,431	$969,627	$19,881,058
Fiscal year:								
1957–58 [6]	7,266,985	557,274	----------	7,874,932	165,604	21,764,189	1,048,411	22,812,600
1958–59 [6]	7,565,086	540,279	−121,300	9,049,146	206,094	20,474,430	1,066,994	21,541,424
10 months ended:								
April 1958	5,440,833	329,673	----------	6,453,574	146,200	21,362,123	837,487	22,199,610
April 1959	5,700,536	329,357	−121,300	7,398,667	169,510	20,116,268	1,036,749	21,153,017
April 1960	6,961,556	300,739	−274,600	8,483,082	164,980	18,911,431	969,627	19,881,058
1959								
April	626,778	22,445	----------	816,871	17,645	20,116,268	1,036,749	21,153,017
May	1,278,210	10,835	----------	826,599	17,332	20,539,768	1,058,362	21,598,130
June [6]	586,339	200,087	----------	823,880	19,252	20,474,430	1,066,994	21,541,424
July	298,757	−5,626	−274,600	821,069	18,039	19,793,830	927,018	20,720,848
August	1,251,509	15,299	----------	833,235	18,362	20,096,417	1,039,642	21,136,060
September	595,180	13,923	----------	838,850	25,569	19,924,675	956,068	20,880,743
October	245,584	18,189	----------	841,472	17,733	19,367,605	917,707	20,285,312
November	904,629	3,812	----------	841,260	18,168	19,163,905	1,170,420	20,334,325
December	431,406	210,232	----------	843,797	−8,600	19,151,165	989,602	20,140,766
1960								
January	209,479	1,679	----------	841,042	17,032	18,532,647	961,203	19,493,849
February	1,243,390	13,228	----------	855,837	17,249	18,556,745	1,320,637	19,877,382
March	1,006,980	13,496	----------	880,613	24,319	18,977,197	1,015,730	19,992,926
April	774,642	16,506	----------	885,907	17,110	18,911,431	969,627	19,881,058
	Disability insurance trust fund							
Cumulative, January 1957–April 1960	$2,879,937	$74,696	$21,400	$944,135	$66,252	$1,906,121	$59,524	$1,965,645
Fiscal year:								
1957–58 [6]	926,403	15,843	----------	168,420	12,112	1,054,458	44,515	1,098,973
1958–59 [6]	894,995	33,293	----------	339,231	21,410	1,606,874	59,747	1,666,621
10 months ended:								
April 1958	678,311	6,755	----------	129,838	2,505	858,659	31,323	889,982
April 1959	669,457	16,457	----------	265,907	20,870	1,455,434	42,676	1,498,110
April 1960	721,339	24,196	21,400	436,485	31,425	1,906,121	59,524	1,965,645
1959								
April	58,719	491	----------	31,945	270	1,455,434	42,676	1,498,110
May	159,230	640	----------	33,696	270	1,542,014	82,000	1,624,014
June [6]	66,308	16,196	----------	39,628	270	1,606,874	59,747	1,666,621
July	31,777	674	21,400	42,299	280	1,629,234	48,659	1,677,893
August	137,055	855	----------	41,539	280	1,698,111	75,872	1,773,983
September	58,729	262	----------	40,607	280	1,741,661	50,427	1,792,088
October	23,793	616	----------	44,016	268	1,725,458	46,755	1,772,213
November	101,374	829	----------	44,323	268	1,745,558	84,266	1,829,824
December	46,977	19,377	----------	41,921	29,050	1,793,379	31,828	1,825,206
1960								
January	22,399	116	----------	43,973	250	1,746,032	57,467	1,803,499
February	124,233	880	----------	42,942	250	1,787,282	98,138	1,885,420
March	93,034	342	----------	47,386	250	1,871,496	59,664	1,931,160
April	81,968	245	----------	47,479	248	1,906,121	59,524	1,965,645

[1] For July 1940 to December 1950 equals taxes collected; beginning January 1951, equals amounts appropriated (estimated tax collections with suitable subsequent adjustments). Beginning May 1951, includes deposits by States under voluntary coverage agreements. For 1947–51 includes amounts appropriated to meet costs of benefits payable to certain veterans' survivors. Beginning 1952 for the old-age and survivors insurance trust fund and January 1959 for the disability insurance trust fund, includes deductions for refund of estimated amount of employee-tax overpayment.

[2] In addition to interest and profit on investment, includes annual interfund transfers of interest as follows: (1) Under the financial interchange, to the old-age and survivors insurance trust fund from the railroad retirement account, 1954–57; to the railroad retirement account from the old-age and survivors insurance trust fund, 1958 to date; and, beginning 1959, to the disability insurance trust fund from the railroad retirement account. (2) On reimbursed administrative expenses, to the old-age and survivors insurance trust fund from the disability insurance trust fund, 1958 to date (see footnote 4).

[3] The purpose of the financial interchange provision of the Railroad Retirement Act, as amended, is to place the trust funds in the same position in which they would have been, had railroad employment always been covered under the old-age, survivors, and disability insurance system. Payments from the trust fund(s) to the railroad retirement account—beginning July 1958—are indicated by negative figures, payments to the trust fund(s) from the account—beginning June 1959—by positive figures. Footnote 2 indicates the treatment of interest transfers.

[4] Represents net expenditures for administration. Beginning November 1951, adjusted for reimbursements to trust fund of small amounts for sales of services. Beginning October 1953, includes expenses for central office building construction. Since the January 1957 inception of the disability insurance trust fund, most administrative expenses are paid initially from old-age and survivors insurance trust fund with subsequent reimbursement (plus interest, see footnote 2) from the disability insurance trust fund for the allocated cost of disability insurance operations. The Treasury Department, however, is regularly reimbursed from the appropriate trust fund for its expenses as incurred.

[5] Book value: Includes net unamortized premium and discount, accrued interest purchased, and repayments on account of accrued interest on bonds at the time of purchase.

[6] Revised to correspond with *Final Statement of Receipts and Expenditures of the U. S. Government.*

Source: *Monthly Statement of Receipts and Expenditures of the U. S. Government* and unpublished Treasury reports.

TABLE 4.—*Old-age, survivors, and disability insurance: Monthly benefits in current-payment status at the end of selected months, December 1948–April 1960, by type of benefit, and monthly benefits awarded, April 1960* [1]

[Amounts in thousands; data corrected to May 25, 1960]

Item	Total			Old-age	Disability [3]	Wife's or husband's			Child's [4]			Widow's or widower's	Mother's	Parent's
	Total	OASI [2]	DI [2]			Total	OASI [2]	DI [2]	Total	OASI [2]	DI [2]			
	Number													
In current-payment status at end of—														
December:														
1948	2,314,557	2,314,557	....	1,047,985	....	320,928	320,928	....	581,265	581,265	....	210,253	142,223	11,903
1950	3,477,243	3,477,243	....	1,770,984	....	508,350	508,350	....	699,703	699,703	....	314,189	169,438	14,579
1952	5,025,549	5,025,549	....	2,643,932	....	737,859	737,859	....	938,751	938,751	....	454,563	228,984	21,460
1954	6,886,480	6,886,480	....	3,775,134	....	1,015,892	1,015,892	....	1,160,770	1,160,770	....	638,091	271,536	25,057
1956	9,128,121	9,128,121	....	5,112,430	....	1,433,507	1,433,507	....	1,340,995	1,340,995	....	913,069	301,240	26,880
November 1958 [5]	12,430,234	12,162,177	268,057	6,920,677	237,719	2,031,091	2,018,860	12,231	1,624,135	1,606,028	18,107	1,232,583	353,964	30,065
1959														
April	12,967,396	12,629,974	337,422	7,187,142	265,858	2,110,941	2,083,136	27,805	1,714,849	1,671,090	43,759	1,296,422	360,250	31,934
May	13,067,700	12,720,592	347,108	7,238,215	268,842	2,126,089	2,095,981	30,108	1,731,373	1,683,215	48,158	1,308,743	362,115	32,323
June	13,181,380	12,820,164	361,216	7,295,640	275,164	2,141,761	2,108,534	33,227	1,747,656	1,694,831	52,825	1,321,979	366,498	32,682
July	13,288,220	12,903,579	384,641	7,345,206	288,631	2,155,701	2,118,439	37,262	1,760,617	1,701,869	58,748	1,334,316	370,743	33,006
August	13,395,770	12,995,845	399,925	7,399,152	297,611	2,169,313	2,129,492	39,821	1,774,396	1,711,903	62,493	1,347,802	374,119	33,377
September	13,486,122	13,068,457	417,665	7,437,836	308,598	2,182,383	2,140,429	41,954	1,791,434	1,724,321	67,113	1,358,931	373,227	33,713
October	13,576,095	13,143,808	432,287	7,476,908	317,888	2,194,307	2,150,548	43,759	1,808,125	1,737,485	70,640	1,370,848	374,041	33,978
November	13,644,293	13,195,554	448,739	7,503,120	327,640	2,202,848	2,156,655	46,193	1,820,039	1,745,133	74,906	1,381,495	374,848	34,303
December	13,703,918	13,243,564	460,354	7,525,628	334,443	2,208,017	2,160,103	47,914	1,831,548	1,753,551	77,997	1,393,587	376,145	34,550
1960														
January	13,780,137	13,311,982	468,155	7,566,323	339,273	2,216,932	2,168,060	48,872	1,840,090	1,760,080	80,010	1,406,302	376,552	34,665
February	13,850,674	13,376,873	473,801	7,603,838	343,283	2,226,421	2,176,817	49,604	1,847,281	1,766,367	80,914	1,418,147	376,942	34,762
March	13,961,809	13,465,340	496,469	7,656,332	357,134	2,241,077	2,188,236	52,841	1,861,972	1,775,478	86,494	1,432,060	378,348	34,886
April	14,057,718	13,549,261	508,457	7,702,270	363,878	2,253,653	2,199,026	54,627	1,877,229	1,787,277	89,952	1,445,017	380,602	35,069
Awarded, April 1960	206,969	181,136	25,833	91,075	16,001	36,231	32,115	4,116	33,927	28,211	5,716	20,592	8,660	483
	Monthly amount													
In current-payment status at end of—														
December:														
1948	$45,872.5	$45,872.5	....	$26,564.2	....	$4,307.3	$4,307.3	....	$7,549.0	$7,549.0	....	$4,331.0	$2,958.6	$162.2
1950	126,856.5	126,856.5	....	77,678.3	....	11,994.9	11,994.9	....	19,366.3	19,366.3	....	11,481.3	5,800.8	534.9
1952	205,179.0	205,179.0	....	130,217.4	....	19,178.4	19,178.4	....	28,141.3	28,141.3	....	18,482.2	8,272.7	887.0
1954	339,342.0	339,342.0	....	223,271.8	....	32,270.6	32,270.6	....	40,996.4	40,996.4	....	29,525.7	12,088.9	1,188.6
1956	482,592.9	482,592.9	....	322,536.8	....	48,325.6	48,325.6	....	50,323.7	50,323.7	....	45,780.0	14,262.2	1,364.8
November 1958 [5]	697,528.6	677,103.7	$20,424.9	459,201.1	$19,515.7	71,230.1	70,814.8	$415.2	64,130.2	63,636.3	$494.0	63,976.6	17,886.5	1,588.3
1959														
April	790,219.9	764,420.0	25,799.9	517,379.6	23,465.2	80,001.0	78,995.5	1,005.6	74,557.7	73,228.5	1,329.2	72,704.5	20,270.3	1,841.6
May	797,299.4	771,009.7	26,289.7	521,731.1	23,740.0	80,628.9	79,544.1	1,084.8	75,386.2	73,921.3	1,464.9	73,504.5	20,438.2	1,870.5
June	805,545.3	778,404.0	27,141.2	526,700.8	24,324.3	81,295.2	80,096.0	1,199.2	76,209.0	74,591.3	1,617.7	74,359.1	20,760.4	1,896.4
July	813,712.0	785,002.7	28,709.3	531,230.1	25,563.2	81,901.0	80,557.8	1,343.2	76,861.8	75,058.9	1,802.9	75,151.8	21,084.1	1,920.1
August	822,047.0	792,297.0	29,750.0	536,130.0	26,389.5	82,531.6	81,094.8	1,436.7	77,660.6	75,736.9	1,923.7	76,029.1	21,359.2	1,947.1
September	828,546.2	797,564.1	30,982.1	539,497.9	27,397.8	83,089.9	81,575.5	1,514.4	78,526.3	76,456.5	2,069.8	76,760.9	21,302.4	1,971.0
October	835,317.0	803,301.7	32,015.3	543,120.9	28,251.0	83,623.2	82,044.2	1,579.1	79,418.2	77,233.0	2,185.2	77,543.1	21,368.9	1,991.6
November	840,474.2	807,355.8	33,118.4	545,561.8	29,135.4	83,998.8	82,333.7	1,665.2	80,061.3	77,743.4	2,317.8	78,248.5	21,453.1	2,015.2
December	845,144.3	811,237.3	33,907.0	547,749.1	29,765.3	84,254.2	82,526.8	1,727.3	80,715.6	78,301.2	2,414.4	79,047.4	21,579.2	2,033.6
1960														
January	851,890.9	817,429.6	34,461.3	552,068.6	30,215.7	84,759.5	82,997.1	1,762.4	81,279.7	78,796.5	2,483.2	79,884.8	21,639.2	2,043.5
February	858,066.7	823,179.2	34,887.5	556,006.3	30,584.5	85,251.1	83,465.1	1,786.0	81,771.3	79,254.4	2,517.0	80,682.6	21,717.9	2,053.0
March	866,981.5	830,499.3	36,482.2	561,081.5	31,882.8	85,944.7	84,036.9	1,907.8	82,535.3	79,843.7	2,691.6	81,611.0	21,861.0	2,065.2
April	874,287.8	837,032.8	37,255.0	565,321.8	32,498.9	86,511.7	84,544.8	1,966.9	83,345.3	80,556.0	2,789.3	82,473.6	22,054.6	2,082.0
Awarded, April 1960	13,791.9	11,989.9	1,802.0	7,500.0	1,470.5	1,438.2	1,285.6	152.6	1,495.3	1,316.5	178.8	1,276.9	577.1	33.8

[1] For an explanation of the treatment of dual entitlements, see the *Bulletin* for April 1957, p. 29, table 4, footnote 1.

[2] Benefits under the old-age and survivors insurance (OASI) parts of the old-age, survivors, and disability insurance program are payable from the old-age and survivors insurance trust fund to old-age insurance (retired-worker) beneficiaries and their dependents and to survivors of deceased workers. Benefits under the disability insurance (DI) part of the program are payable from the disability insurance trust fund to disability insurance (disabled-worker) beneficiaries and their dependents.

[3] Monthly benefits to disabled workers aged 50–64.

[4] Includes benefits payable to disabled persons aged 18 or over—dependent children of disabled, deceased, or retired workers—whose disability began before age 18.

[5] To effect the benefit increases provided by the 1958 amendments, certain operations affecting statistical data on monthly benefits and lump sums awarded and monthly benefits in current-payment status were suspended for December 1958; the figures on benefits in current-payment status at the end of December 1958 are therefore not available.

TABLE 5.—*Old-age, survivors, and disability insurance: Amount of benefit payments in calendar year 1959, by State*

[In thousands]

Beneficiary's State of residence [1]	Total	OASI [2]					DI [2]		
		Total	Monthly benefits [3]			Lump-sum death payments [4]	Monthly benefits [3]		
			Old-age	Supplementary	Survivor		Total	Disability	Supplementary
Total	$10,298,363	$9,841,641	$6,548,004	$1,059,038	$2,063,303	$171,296	$456,722	$390,485	$66,237
Alabama	129,632	120,172	70,341	13,321	34,249	2,261	9,460	7,669	1,791
Alaska	4,090	3,937	2,512	201	1,123	101	153	128	25
Arizona	55,600	51,538	32,967	5,251	12,435	885	4,062	3,455	607
Arkansas	86,606	81,643	53,211	10,113	17,092	1,227	4,963	4,052	911
California	832,479	798,449	550,903	76,207	157,727	13,612	34,030	30,259	3,771
Colorado	83,361	80,616	54,163	8,875	16,310	1,268	2,745	2,362	383
Connecticut	179,537	172,774	118,507	17,188	33,910	3,169	6,763	6,002	761
Delaware	23,609	22,593	15,062	2,241	4,852	438	1,016	891	125
District f Columbia	33,937	32,408	22,271	2,401	6,978	758	1,529	1,421	108
Florida	332,146	316,066	222,927	36,309	52,580	4,250	16,080	13,896	2,184
Georgia	137,766	127,508	76,250	12,685	36,051	2,522	10,258	8,720	1,538
Hawaii	19,467	18,449	12,117	1,671	4,340	321	1,018	853	165
Idaho	36,041	34,981	23,718	4,249	6,465	549	1,060	886	174
Illinois	638,662	614,018	414,170	64,502	123,607	11,739	24,644	21,981	2,663
Indiana	300,409	288,462	193,137	33,414	57,031	4,880	11,947	10,071	1,876
Iowa	180,749	175,872	122,473	22,862	27,807	2,730	4,877	4,134	743
Kansas	126,974	122,883	84,174	15,751	20,958	2,000	4,091	3,437	654
Kentucky	159,540	149,463	94,579	17,993	34,472	2,419	10,077	7,574	2,503
Louisiana	106,376	98,994	56,733	10,089	30,179	1,993	7,382	6,128	1,254
Maine	68,880	66,022	45,405	6,574	12,952	1,091	2,858	2,395	463
Maryland	135,465	129,235	81,942	12,369	32,188	2,736	6,230	5,433	797
Massachusetts	387,570	372,312	256,539	35,588	73,789	6,396	15,258	13,192	2,066
Michigan	480,846	461,712	301,558	52,585	99,736	7,833	19,134	16,625	2,509
Minnesota	200,951	195,765	135,137	23,369	34,379	2,880	5,186	4,412	774
Mississippi	77,638	73,088	46,277	8,396	17,185	1,230	4,550	3,757	793
Missouri	272,630	261,484	179,897	29,825	47,582	4,180	11,146	9,686	1,460
Montana	41,122	39,774	27,204	4,531	7,415	624	1,348	1,141	207
Nebraska	86,691	84,449	59,482	10,950	12,772	1,245	2,242	1,953	289
Nevada	11,371	10,858	7,379	809	2,401	269	513	441	72
New Hampshire	45,104	43,515	30,675	4,074	8,018	748	1,589	1,383	206
New Jersey	411,662	395,491	263,971	40,302	83,707	7,511	16,171	14,382	1,789
New Mexico	26,145	24,808	14,436	2,665	7,164	543	1,337	1,042	295
New York	1,155,949	1,108,913	763,931	107,914	216,736	20,332	47,036	41,818	5,218
North Carolina	175,703	163,448	100,387	17,595	42,440	3,026	12,255	10,355	1,900
North Dakota	31,946	31,446	21,897	4,285	4,810	454	500	413	87
Ohio	596,855	571,226	372,676	65,027	123,824	9,699	25,629	21,918	3,711
Oklahoma	112,704	107,326	69,471	13,050	22,981	1,824	5,378	4,541	837
Oregon	124,707	120,456	85.423	12,331	20,826	1,876	4,251	3,622	629
Pennsylvania	788,495	749,808	483,419	82,616	169,950	13,823	38,687	32,774	5,913
Puerto Rico	34,196	33,639	22,031	3,978	7,134	496	557	422	135
Rhode Island	65,696	62,736	43,621	5,845	12,213	1,057	2,960	2,607	353
South Carolina	81,618	75,381	43,798	7,324	22,771	1,488	6,237	5,275	962
South Dakota	38 245	37,461	26,007	5,029	5,895	530	784	642	142
Tennessee	148,545	139,414	87,297	15,682	34,028	2,407	9,131	7,395	1,736
Texas	355,603	337,414	208,501	38,573	83,862	6,478	18,189	15,332	2,857
Utah	38,503	37,377	23,417	4,571	8,826	563	1,126	903	223
Vermont	26,470	25,291	17,211	2,705	4,982	393	1,179	999	180
Virgin Islands	483	476	305	45	118	8	7	7	0
Virginia	162,848	152,249	93,823	15,865	39,589	2,972	10,599	8,650	1,949
Washington	182,467	175,464	122,507	18,245	31,962	2,750	7,003	6,078	925
West Virginia	119,569	108,889	63,912	13,074	30,247	1,656	10,680	7,639	3,041
Wisconsin	264,236	255,367	173,524	30,168	47,493	4,182	8,869	7,582	1,287
Wyoming	15,331	14,821	10,101	1,576	2,902	242	510	430	80
Foreign	65,138	63,700	44,628	6,180	12,260	632	1,438	1,322	116

[1] Based on benefit check address.

[2] Benefits under the old-age and survivors insurance (OASI) part of the old-age, survivors, and disability insurance program are payable from the OASI trust fund to old-age insurance (retired-worker) beneficiaries and their dependents and to survivors of deceased workers. Benefits under the disability insurance (DI) part of the program are payable from the DI trust fund to disability insurance (disabled-worker) beneficiaries and their dependents.

[3] Distribution by type of benefit and by State estimated. Supplementary benefits are paid to wives aged 62 or over, wives under age 62 with child beneficiaries in their care, dependent aged husbands, children under age 18, and disabled children aged 18 or over (whose disability began before age 18) of old-age or disabled-worker beneficiaries. Survivor benefits are paid to aged widows, dependent aged widowers, children under age 18, disabled children aged 18 or over whose disability began before age 18, widows or divorced wives with child beneficiaries in their care, and dependent aged parents of deceased insured workers.

[4] Distribution by State based on 10-percent sample.

TABLE 6.—*Old-age, survivors, and disability insurance: Number and monthly amount (in dollars) of benefits*[1] *in current-payment status as of December 31, 1959, by type of benefit and by State*

Beneficiary's State of residence,[2] number, and monthly amount	Total			Old-age	Disability[4]	Wife's or husband's			Child's[5]			Widow's or widower's	Mother's	Parent's
	Total	OASI[3]	DI[3]			Total	OASI[3]	DI[3]	Total	OASI[3]	DI[3]			
Total:														
Number	13,703,918	13,243,564	460,354	7,525,628	334,443	2,208,017	2,160,103	47,914	1,831,548	1,753,551	77,997	1,393,587	376,145	34,550
Amount	845,144,310	811,237,313	33,906,997	547,749,073	29,765,265	84,254,159	82,526,818	1,727,341	80,715,632	78,301,241	2,414,391	79,047,440	21,579,188	2,033,553
Ala.:														
Number	214,099	202,980	11,119	95,203	7,120	34,550	33,188	1,362	48,055	45,418	2,637	18,241	9,838	1,092
Amount	10,634,151	9,933,616	700,535	5,910,637	590,136	1,037,996	995,325	42,671	1,668,365	1,600,637	67,728	898,648	470,298	58,071
Alaska:														
Number	5,729	5,529	200	2,826	111	310	293	17	2,008	1,936	72	182	282	10
Amount	328,330	315,908	12,422	205,030	10,487	10,766	10,336	430	77,938	76,433	1,505	9,826	13,576	707
Ariz.:														
Number	75,881	71,875	4,006	38,058	2,889	10,822	10,390	432	15,497	14,812	685	5,696	2,714	205
Amount	4,668,423	4,357,340	311,083	2,833,199	270,661	418,441	401,600	16,841	665,477	641,896	23,581	321,369	147,840	11,436
Ark.:														
Number	147,058	141,180	5,878	75,505	3,841	28,510	27,747	763	23,956	22,682	1,274	10,230	4,448	568
Amount	7,165,135	6,798,769	366,366	4,486,714	310,720	819,215	795,824	23,391	814,786	782,531	32,255	486,480	216,935	30,285
Calif.:														
Number	1,062,614	1,031,411	31,203	626,227	24,953	150,365	147,746	2,619	131,352	127,721	3,631	104,923	23,038	1,756
Amount	68,404,851	65,839,195	2,565,656	46,080,066	2,322,463	5,984,890	5,880,702	104,188	6,503,393	6,364,388	139,005	6,013,581	1,394,103	106,355
Colo.:														
Number	113,441	110,699	2,742	63,592	1,989	18,613	18,337	276	16,160	15,683	477	10,035	2,903	149
Amount	6,873,605	6,668,949	204,656	4,535,121	180,447	699,009	689,215	9,794	727,704	713,289	14,415	556,163	166,935	8,226
Conn.:														
Number	209,170	203,339	5,831	122,094	4,729	31,260	30,777	483	20,204	19,585	619	25,927	4,506	450
Amount	14,660,601	14,178,075	482,526	9,889,861	439,046	1,369,134	1,349,778	19,356	1,070,403	1,046,279	24,124	1,569,860	293,369	28,928
Del.:														
Number	30,287	29,308	979	17,160	765	4,356	4,264	92	3,823	3,701	122	3,333	779	71
Amount	1,933,676	1,857,346	76,330	1,259,607	68,187	176,811	173,081	3,730	182,590	178,177	4,413	194,783	47,264	4,434
D. C.:														
Number	45,672	44,196	1,476	26,776	1,265	4,616	4,545	71	6,542	6,402	140	4,902	1,461	110
Amount	2,744,861	2,632,062	112,799	1,846,790	105,672	179,540	177,037	2,503	264,697	260,073	4,624	270,116	71,832	6,214
Fla.:														
Number	437,180	421,385	15,795	252,603	11,712	75,528	73,738	1,790	51,987	49,694	2,293	34,267	10,322	761
Amount	27,741,714	26,548,425	1,193,289	18,926,652	1,057,816	2,983,883	2,916,699	67,184	2,220,559	2,152,270	68,289	1,936,719	573,208	42,877
Ga.:														
Number	224,924	212,417	12,507	104,273	8,605	31,152	29,830	1,322	51,160	48,580	2,580	18,752	9,963	1,019
Amount	11,317,106	10,534,568	782,538	6,420,863	681,675	966,213	927,653	38,560	1,802,554	1,740,251	62,303	931,487	460,559	55,755
Hawaii:														
Number	28,073	27,043	1,030	14,715	715	3,644	3,546	98	5,877	5,660	217	2,018	1,027	77
Amount	1,591,026	1,517,952	73,074	1,011,809	62,515	126,249	122,769	3,480	231,425	224,346	7,079	103,270	51,147	4,611
Idaho:														
Number	49,747	48,643	1,104	28,141	765	9,027	8,914	113	7,140	6,914	226	3,475	1,113	86
Amount	2,961,730	2,880,924	80,806	1,979,417	69,057	334,369	330,271	4,098	322,493	314,842	7,651	185,919	65,304	5,171
Ill.:														
Number	785,829	762,903	22,926	447,386	18,237	123,357	121,566	1,791	87,910	85,012	2,898	89,023	18,076	1,840
Amount	52,263,509	50,421,296	1,842,213	34,572,296	1,670,991	5,113,987	5,044,288	69,699	4,402,092	4,300,569	101,523	5,260,461	1,128,381	115,301
Ind.:														
Number	389,944	378,704	11,240	218,729	8,088	67,332	66,148	1,184	46,766	44,798	1,968	39,232	9,005	792
Amount	24,592,630	23,731,768	860,862	16,105,759	748,331	2,662,496	2,617,234	45,262	2,235,038	2,167,769	67,269	2,233,930	558,531	48,545
Iowa:														
Number	246,699	241,828	4,871	145,079	3,594	49,057	48,552	505	23,225	22,453	772	20,828	4,588	328
Amount	14,948,026	14,590,462	357,564	10,277,583	313,951	1,863,151	1,845,121	18,030	1,057,212	1,031,629	25,583	1,146,866	269,724	19,539
Kans.:														
Number	178,657	174,499	4,158	102,891	2,971	35,178	34,720	458	18,864	18,135	729	15,018	3,473	262
Amount	10,481,732	10,179,441	302,291	7,054,683	261,764	1,278,014	1,261,321	16,693	857,722	833,888	23,834	808,468	206,042	15,039
Ky.:														
Number	250,757	237,964	12,793	123,151	6,916	45,827	43,974	1,853	46,173	42,149	4,024	19,423	8,349	918
Amount	13,059,434	12,311,470	747,964	7,895,693	595,532	1,440,482	1,383,003	57,479	1,641,138	1,546,185	94,953	1,006,861	427,837	51,891
La.:														
Number	166,597	157,852	8,745	73,890	5,825	24,067	22,996	1,071	37,560	35,711	1,849	16,631	7,975	649
Amount	8,775,926	8,216,313	559,613	4,790,377	478,498	781,942	747,794	34,148	1,429,369	1,382,402	46,967	851,158	410,109	34,473
Maine:														
Number	95,771	92,623	3,148	55,672	2,128	14,288	13,924	364	11,551	10,895	656	9,563	2,385	184
Amount	5,605,238	5,397,742	207,496	3,764,404	178,437	520,487	509,119	11,368	485,062	467,371	17,691	514,590	131,976	10,282
Md.:														
Number	180,395	174,250	6,145	96,590	4,731	24,443	23,875	568	26,738	25,892	846	21,402	5,985	506
Amount	11,087,256	10,618,417	468,839	6,861,625	417,067	962,832	940,888	21,944	1,244,428	1,214,600	29,828	1,219,301	351,604	30,399
Mass.:														
Number	474,203	459,666	14,537	279,581	11,192	67,167	65,806	1,361	46,157	44,173	1,984	57,900	11,281	925
Amount	31,467,080	30,361,630	1,105,450	21,234,055	982,368	2,817,653	2,765,908	51,745	2,287,736	2,216,399	71,337	3,394,550	694,446	56,272
Mich.:														
Number	583,113	565,603	17,510	313,784	12,986	99,100	97,299	1,801	75,152	72,429	2,723	65,737	15,283	1,071
Amount	39,517,246	38,081,952	1,435,294	25,236,219	1,262,072	4,186,476	4,112,658	73,818	3,808,754	3,709,350	99,404	3,963,639	990,470	69,616
Minn.:														
Number	271,885	266,832	5,053	158,869	3,723	49,722	49,216	506	29,906	29,082	824	23,272	6,009	384
Amount	16,622,201	16,243,719	378,482	11,344,306	332,297	1,882,645	1,864,425	18,220	1,360,443	1,332,478	27,965	1,321,754	358,061	22,695
Miss.:														
Number	143,507	137,694	5,813	70,367	3,756	25,304	24,595	709	28,875	27,527	1,348	9,040	5,350	815
Amount	6,399,687	6,054,941	344,746	3,882,283	294,422	659,306	639,167	20,139	865,610	835,425	30,185	419,570	234,600	43,896
Mo.:														
Number	372,665	361,117	11,548	213,962	8,578	65,363	64,228	1,135	40,602	38,767	1,835	35,567	7,843	750
Amount	22,402,802	21,564,948	837,854	15,034,322	743,460	2,400,830	2,361,444	39,386	1,748,923	1,693,915	55,008	1,987,593	443,712	43,962
Mont.:														
Number	53,856	52,606	1,250	30,776	931	8,999	8,881	118	7,590	7,389	201	4,196	1,263	101
Amount	3,375,037	3,279,494	95,543	2,273,818	84,482	356,174	351,679	4,495	342,599	336,033	6,566	237,791	74,069	6,104
Nebr.:														
Number	122,061	119,829	2,232	72,498	1,727	24,535	24,339	196	11,495	11,186	309	9,431	2,188	187
Amount	7,190,630	7,026,636	163,994	4,999,118	147,213	894,335	887,565	6,770	506,463	496,452	10,011	510,081	122,448	10,972

See footnotes at end of table.

TABLE 6.—*Old-age, survivors, and disability insurance: Number and monthly amount (in dollars) of benefits[1] in current-payment status as of December 31, 1959, by type of benefit and by State*—Continued

Beneficiary's State of residence,[2] number, and monthly amount	Total			Old-age	Disability[4]	Wife's or husband's			Child's[5]			Widow's or widower's	Mother's	Parent's
	Total	OASI[3]	DI[3]			Total	OASI[3]	DI[3]	Total	OASI[3]	DI[3]			
Nev.:														
Number	14,497	14,019	478	8,474	368	1,529	1,488	41	2,702	2,633	69	1,041	355	28
Amount	935,556	896,983	38,573	622,808	34,098	59,442	57,719	1,723	137,324	134,572	2,752	59,188	21,140	1,556
N. H.:														
Number	58,904	57,331	1,573	35,880	1,198	8,236	8,087	149	6,197	5,971	226	6,013	1,297	83
Amount	3,679,562	3,563,276	116,286	2,555,728	103,872	320,856	315,793	5,063	285,921	278,570	7,351	333,415	74,863	4,907
N. J.:														
Number	488,621	473,941	14,680	276,709	11,789	73,703	72,437	1,266	49,406	47,781	1,625	63,432	12,323	1,259
Amount	33,593,330	32,386,778	1,206,552	21,978,944	1,093,593	3,198,570	3,147,333	51,237	2,612,749	2,551,027	61,722	3,826,882	800,566	82,026
N. Mex.:														
Number	42,051	40,494	1,557	18,601	950	6,191	5,979	212	11,465	11,070	395	2,644	2,019	181
Amount	2,182,224	2,080,555	101,669	1,234,084	83,264	202,170	195,166	7,004	419,255	407,854	11,401	137,383	96,137	9,931
N. Y.:														
Number	1,408,316	1,364,746	43,570	827,974	35,089	205,075	201,439	3,636	136,868	132,023	4,845	165,555	34,159	3,596
Amount	94,556,133	91,072,704	3,483,429	63,777,466	3,155,789	8,615,025	8,471,073	143,952	6,886,789	6,703,101	183,688	9,757,699	2,133,831	229,534
N. C.:														
Number	290,230	275,695	14,535	137,942	10,051	45,631	44,066	1,565	61,204	58,285	2,919	21,767	12,575	1,060
Amount	14,486,509	13,574,947	911,562	8,490,094	793,658	1,366,554	1,320,770	45,784	2,121,459	2,049,339	72,120	1,073,370	584,705	56,669
N. Dak.:														
Number	45,679	45,106	573	26,235	392	9,360	9,300	60	5,846	5,725	121	2,662	1,119	65
Amount	2,678,869	2,640,614	38,255	1,857,070	32,677	348,726	346,757	1,969	231,503	227,894	3,609	145,575	59,784	3,534
Ohio:														
Number	746,460	721,805	24,655	403,732	17,977	125,523	123,010	2,513	91,144	86,979	4,165	87,654	18,897	1,533
Amount	48,881,069	46,962,882	1,918,187	31,056,716	1,676,459	5,195,043	5,096,390	98,653	4,478,095	4,335,020	143,075	5,187,052	1,192,182	95,522
Okla.:														
Number	167,092	161,384	5,708	87,878	4,040	30,965	30,343	622	24,773	23,727	1,046	14,283	4,743	410
Amount	9,341,935	8,935,425	406,510	5,865,911	352,782	1,049,560	1,027,643	21,917	1,038,422	1,006,611	31,811	748,422	263,979	22,859
Oreg.:														
Number	160,259	156,144	4,115	96,890	3,104	25,228	24,827	401	17,842	17,232	610	14,014	2,943	238
Amount	10,213,440	9,888,658	324,782	7,089,700	285,888	973,951	958,041	15,910	877,637	854,653	22,984	787,266	184,066	14,932
Pa.:														
Number	979,416	943,179	36,237	521,659	26,725	159,926	155,919	4,007	112,543	107,038	5,505	127,131	28,530	2,902
Amount	64,161,712	61,348,858	2,812,854	40,187,361	2,457,504	6,610,807	6,450,998	159,809	5,544,682	5,349,141	195,541	7,394,422	1,789,234	177,702
P. R.:														
Number	88,226	87,040	1,186	40,686	579	16,151	15,979	172	25,573	25,138	435	1,967	2,944	326
Amount	2,902,026	2,856,336	45,690	1,887,172	37,041	309,588	306,574	3,014	465,657	460,022	5,635	84,838	102,343	15,387
R. I.:														
Number	81,397	78,597	2,800	48,368	2,209	11,382	11,115	267	7,519	7,195	324	9,909	1,859	151
Amount	5,332,325	5,119,657	212,668	3,615,182	191,562	464,431	454,854	9,577	368,440	356,911	11,529	570,171	113,169	9,370
S. C.:														
Number	137,276	129,567	7,709	59,907	5,287	18,223	17,397	826	35,160	33,564	1,596	10,621	7,446	632
Amount	6,704,672	6,224,084	480,588	3,683,948	417,832	545,826	522,764	23,062	1,179,151	1,139,457	39,694	520,075	324,398	33,442
S. Dak.:														
Number	55,123	54,254	869	31,850	597	11,283	11,186	97	6,287	6,112	175	3,794	1,241	71
Amount	3,191,079	3,132,456	58,623	2,195,311	50,388	410,171	406,055	3,216	257,857	252,838	5,019	205,967	67,238	4,147
Tenn.:														
Number	244,777	234,002	10,775	121,711	6,871	41,965	40,602	1,363	44,570	42,029	2,541	19,507	9,126	1,027
Amount	12,229,940	11,550,555	679,385	7,344,990	572,476	1,239,661	1,196,819	42,842	1,598,167	1,534,100	64,067	966,583	452,103	55,960
Tex.:														
Number	540,833	520,675	20,158	269,104	13,974	91,774	89,423	2,351	98,218	94,385	3,833	47,138	18,942	1,683
Amount	29,446,746	28,066,620	1,380,126	17,643,753	1,192,694	3,051,840	2,973,406	78,434	4,002,599	3,893,601	108,998	2,460,149	1,003,314	92,397
Utah:														
Number	51,423	50,314	1,109	26,397	743	8,969	8,836	133	9,054	8,821	233	4,610	1,577	73
Amount	3,173,297	3,090,844	82,453	1,963,196	68,267	354,064	348,771	5,293	429,089	420,196	8,893	259,849	94,594	4,238
Vt.:														
Number	36,654	35,408	1,246	20,887	866	5,931	5,793	138	4,266	4,024	242	3,710	911	83
Amount	2,162,674	2,076,792	85,882	1,431,154	74,616	216,547	211,935	4,612	182,935	176,281	6,654	200,780	51,760	4,882
V. I.:														
Number	1,020	1,012	8	492	8	121	121	0	318	318	0	36	42	3
Amount	41,555	40,950	605	25,998	605	3,158	3,158	0	8,292	8,292	0	1,750	1,601	151
Va.:														
Number	248,766	236,780	11,986	122,166	7,839	37,962	36,523	1,439	47,306	44,598	2,708	22,957	9,495	1,041
Amount	13,307,488	12,532,606	774,882	7,853,815	658,931	1,233,617	1,186,857	46,760	1,806,050	1,736,859	69,191	1,202,944	495,017	57,114
Wash.:														
Number	230,897	224,475	6,422	136,148	4,940	36,474	35,862	612	26,562	25,692	870	22,096	4,397	280
Amount	14,914,205	14,401,419	512,786	10,170,451	455,698	1,441,855	1,417,422	24,433	1,311,424	1,278,769	32,655	1,247,178	271,345	16,254
W. Va.:														
Number	172,001	159,739	12,262	75,676	6,324	30,293	28,396	1,897	35,555	31,514	4,041	16,149	7,226	778
Amount	9,699,383	8,939,207	760,176	5,321,537	584,771	1,054,896	988,605	66,291	1,415,906	1,306,792	109,114	865,210	413,762	43,301
Wis.:														
Number	343,884	335,487	8,397	196,877	6,182	62,290	61,394	896	36,729	35,416	1,319	33,953	7,315	538
Amount	21,714,976	21,064,601	650,375	14,506,859	571,613	2,427,128	2,393,274	33,854	1,748,880	1,703,972	44,908	1,974,328	454,139	32,029
Wyo.:														
Number	20,789	20,260	529	11,866	368	3,338	3,280	58	3,148	3,045	103	1,575	462	32
Amount	1,269,931	1,231,390	38,541	848,555	33,346	124,375	122,326	2,049	147,158	144,012	3,146	87,367	27,270	1,860
Foreign:														
Number	89,513	88,135	1,378	51,121	1,131	14,002	13,867	135	8,968	8,856	112	11,125	2,755	411
Amount	5,530,031	5,414,758	115,273	3,828,963	106,074	508,972	503,511	5,461	335,218	331,480	3,738	594,743	132,268	23,793

[1] Benefits of persons receiving both an old-age benefit and a widow's, widower's, or parent's secondary benefit or a wife's or husband's secondary benefit that was awarded, reinstated, or adjusted after Sept. 13, 1958, included only in number of old-age benefits; amount of the reduced secondary benefit combined with the amount of the old-age benefit.

[2] Based on monthly benefit check address.

[3] Benefits under old-age and survivors insurance (OASI) part of the old-age, survivors, and disability insurance program are payable from the OASI trust fund to old-age insurance (retired-worker) beneficiaries and their dependents and to survivors of deceased workers. Benefits under disability insurance (DI) part of the program are payable from the DI trust fund to disability insurance (disabled-worker) beneficiaries and their dependents.

[4] Payable to disabled workers aged 50-64.

[5] Includes benefits payable to disabled persons aged 18 or over—dependent children of deceased, disabled, or retired insured workers—whose disability began before age 18.

TABLE 7.—*Employment security: Selected data on nonfarm placements and unemployment insurance claims and benefits, by State, April 1960* [1]

State	Nonfarm placements	Initial claims		Weeks of unemployment covered by continued claims		Compensated unemployment					Average weekly insured unemployment [3]
						All types of unemployment [3]			Total unemployment		
		Total [2]	Women	Total	Women	Weeks compensated	Benefits paid [4]	Average weekly number of beneficiaries	Weeks compensated	Average weekly payment	
Total	[5] 510,675	1,231,945	447,972	8,386,276	2,736,368	7,526,690	$237,391,074	1,792,069	6,949,852	$32.50	1,939,266
Alabama	8,142	15,309	4,299	118,242	28,713	96,075	2,176,747	22,875	92,083	22.95	27,472
Alaska	882	1,480	243	17,058	2,397	19,769	720,863	4,707	19,081	36.73	4,336
Arizona	7,184	6,537	1,232	30,995	7,381	21,943	651,944	5,225	20,827	30.07	7,289
Arkansas	7,121	11,205	4,433	75,585	21,699	53,838	1,155,155	12,819	49,091	22.14	17,504
California	42,746	130,957	34,899	892,736	279,888	814,518	31,822,002	193,933	776,388	39.32	210,052
Colorado	9,948	5,257	976	38,316	9,800	37,371	1,352,897	8,898	34,244	37.32	8,938
Connecticut	7,872	23,462	12,007	145,939	62,026	127,665	4,536,678	30,396	121,627	36.38	34,297
Delaware	904	2,283	537	18,891	4,137	19,888	644,938	4,735	18,640	33.26	4,273
District of Columbia	5,116	2,467	776	23,274	6,729	20,099	526,542	4,785	19,695	26.29	5,209
Florida	17,411	23,755	6,688	116,389	32,041	81,524	2,233,111	19,410	76,951	28.01	27,237
Georgia	10,310	18,491	8,580	118,916	54,516	97,745	2,251,847	23,273	89,813	23.83	30,419
Hawaii	968	2,089	644	14,980	7,377	12,422	332,158	2,958	9,034	31.50	3,391
Idaho	4,920	2,229	396	23,771	3,944	22,550	797,008	5,369	21,243	35.86	5,218
Illinois	19,032	48,466	18,457	388,498	128,117	361,480	12,039,125	86,067	336,672	34.14	89,273
Indiana	6,875	32,081	12,108	167,179	51,940	146,281	4,308,993	34,829	133,429	30.63	37,503
Iowa	8,042	7,847	3,180	68,930	17,861	63,978	1,858,755	15,233	57,263	30.47	15,050
Kansas	8,552	6,867	1,654	66,665	15,021	69,239	2,335,692	16,485	64,753	34.38	14,663
Kentucky	4,864	14,766	3,673	133,901	30,460	113,741	3,106,706	27,081	106,212	28.16	31,024
Louisiana	6,476	16,211	2,595	124,780	18,586	129,343	3,783,453	30,796	120,606	30.07	29,644
Maine	1,501	10,208	7,304	79,901	34,321	61,501	1,312,940	14,643	57,300	21.40	19,451
Maryland	5,633	20,692	9,526	173,746	56,285	154,341	4,526,801	36,748	143,830	30.10	36,488
Massachusetts	11,936	52,988	30,556	355,286	152,726	328,054	11,183,021	78,108	275,359	36.93	82,176
Michigan	12,698	73,867	12,810	441,202	91,550	376,968	13,372,182	89,754	364,629	36.06	102,427
Minnesota	8,469	13,050	3,916	169,112	33,363	147,375	4,166,139	35,089	139,487	28.76	37,498
Mississippi	8,086	9,031	2,937	64,088	12,794	55,702	1,289,778	13,262	51,974	23.73	15,839
Missouri	7,804	35,638	15,729	183,527	55,860	144,629	3,877,622	34,435	125,507	28.91	42,911
Montana	2,857	3,415	807	44,622	11,114	46,271	1,265,955	11,017	46,271	27.08	9,116
Nebraska	5,537	2,511	1,137	36,978	10,839	35,218	1,055,511	8,385	33,566	30.70	7,062
Nevada	2,316	2,738	705	15,100	4,571	14,925	543,528	3,554	13,833	37.35	3,422
New Hampshire	1,066	6,057	5,031	31,544	15,602	24,315	606,400	5,789	21,995	26.05	7,800
New Jersey	11,876	56,757	30,018	381,879	184,986	368,236	11,596,711	87,675	326,133	32.44	89,420
New Mexico	4,146	4,684	734	35,181	6,307	32,458	925,575	7,728	30,639	29.10	6,672
New York	70,871	189,756	82,855	1,117,173	470,330	1,080,473	36,129,173	257,255	976,892	35.12	264,264
North Carolina	12,983	33,058	18,159	179,658	84,487	157,467	3,064,453	37,492	142,712	19.99	39,738
North Dakota	2,276	1,158	126	30,135	2,473	31,060	893,955	7,395	26,703	29.03	5,745
Ohio	19,843	61,560	15,441	456,013	113,533	405,590	16,287,443	96,569	385,359	40.86	105,363
Oklahoma	13,705	9,638	2,867	80,790	26,008	67,935	1,707,237	16,175	62,993	25.91	18,498
Oregon	5,417	13,048	2,917	83,922	23,864	74,459	2,535,399	17,728	68,432	34.90	19,250
Pennsylvania	20,702	119,262	42,426	790,257	250,724	698,569	20,315,232	166,326	643,018	30.09	185,092
Puerto Rico	4,346	720	260	10,813	4,010	-------	-------	-------	-------	-------	-------
Rhode Island	1,986	10,346	6,545	57,153	28,697	51,246	1,411,854	12,201	45,569	28.96	13,227
South Carolina	7,307	9,311	3,878	57,072	23,928	45,509	978,495	10,835	41,728	22.04	13,149
South Dakota	2,513	703	216	12,295	2,237	12,197	346,153	2,904	11,103	29.52	2,560
Tennessee	9,966	17,032	7,205	161,720	54,228	140,938	3,053,942	33,557	128,385	22.26	37,384
Texas	46,330	33,121	8,977	232,148	63,354	195,317	4,606,516	46,504	184,354	23.98	52,828
Utah	3,872	3,745	847	23,969	7,749	19,621	616,985	4,672	17,761	32.57	5,484
Vermont	1,002	1,759	876	16,533	5,927	16,211	430,857	3,860	15,028	27.42	3,829
Virginia	7,702	12,182	4,838	87,152	27,122	73,594	1,664,918	17,522	69,378	23.27	20,095
Virgin Islands	219	0	0	10	0	-------	-------	-------	-------	-------	-------
Washington	6,629	24,584	6,475	158,081	48,854	147,370	4,678,884	35,088	138,826	32.22	35,885
West Virginia	2,380	11,494	1,342	101,776	14,453	89,188	1,913,197	21,235	83,782	21.83	23,705
Wisconsin	7,993	14,972	2,935	119,589	28,941	106,090	3,848,774	25,260	96,480	36.86	27,432
Wyoming	1,311	1,101	200	12,806	2,498	14,394	550,830	3,427	13,174	39.04	2,664

[1] Excludes data for the Federal employees' unemployment compensation program, administered by the States as agents of the Federal Government; not comparable, therefore, with data previously published in the *Bulletin* for April 1955–June 1959.

[2] Excludes transitional claims.

[3] Total, part-total, and partial.

[4] Not adjusted for voided benefit checks and transfers under interstate combined-wage plan.

[5] Includes 32 placements made in Guam, not shown separately.

Source: Department of Labor, Bureau of Employment Security, and affiliated State agencies.

TABLE 8.—*Public assistance in the United States, by month, April 1959–April 1960* [1]

[Except for general assistance, includes vendor payments for medical care and cases receiving only such payments]

Year and month	Total [2]	Old-age assistance	Aid to dependent children: Families	Aid to dependent children: Recipients, Total [3]	Aid to dependent children: Recipients, Children	Aid to the blind	Aid to the permanently and totally disabled	General assistance (cases) [4]	Total	Old-age assistance	Aid to dependent children (recipients)	Aid to the blind	Aid to the permanently and totally disabled	General assistance (cases) [4]
	Number of recipients								Percentage change from previous month					
1959														
April [5]	....	2,431,092	781,132	2,940,629	2,253,313	109,542	335,134	450,000	....	−0.2	+0.5	(6)	+0.8	−6.3
May [5]	....	2,427,898	781,114	2,942,741	2,255,628	109,538	337,495	412,000	....	−.1	(6)	(6)	+.8	−8.3
June [7]	....	2,419,885	777,632	2,929,986	2,246,965	109,445	339,214	387,000	....	−.3	−.5	−0.1	+.5	−6.1
July	....	2,413,938	772,222	2,911,086	2,233,672	109,443	341,355	370,000	....	−.2	−.6	(8)	+.6	−4.5
August	....	2,407,910	771,156	2,910,596	2,235,272	109,325	342,616	380,000	....	−.2	(8)	−.1	+.4	+2.8
September	....	2,404,265	771,931	2,917,419	2,241,727	109,291	344,477	393,000	....	−.2	+.2	(8)	+.5	+3.3
October	....	2,401,104	771,432	2,918,520	2,244,305	109,142	346,832	403,000	....	−.1	(6)	−.1	+.7	+2.6
November	....	2,397,929	773,088	2,926,323	2,251,386	109,098	348,206	413,000	....	−.1	+.3	(8)	+.4	+2.5
December	....	2,394,125	778,832	2,953,135	2,272,096	109,057	350,325	399,000	....	−.2	+.9	(8)	+.6	−3.3
1960														
January	....	2,387,468	781,378	2,964,814	2,281,957	108,883	352,052	413,000	....	−.3	+.4	−.2	+.5	+3.4
February	....	2,378,198	785,239	2,981,045	2,294,964	108,644	353,441	423,000	....	−.4	+.5	−.2	+.4	+2.4
March	....	2,372,716	792,810	3,012,803	2,319,827	108,223	356,140	436,000	....	−.2	+1.1	−.4	+.8	+3.1
April	....	2,365,461	796,361	3,027,984	2,332,155	107,787	358,299	410,000	....	−.3	+.5	−.4	+.6	−5.8
	Amount of assistance								Percentage change from previous month					
1959														
April [5]	$309,438,000	$156,834,503		$84,509,504		$7,512,199	$21,240,340	$30,762,000	−0.4	(8)	+0.2	−0.4	+0.2	−7.4
May [5]	307,265,000	157,332,423		84,732,412		7,578,135	21,632,321	27,731,000	−.7	+0.4	+.5	+.7	+2.0	−9.9
June [7]	303,051,000	156,713,320		83,161,976		7,556,409	21,496,002	25,465,000	−1.4	−.4	−1.6	−.1	+.2	−8.2
July	299,884,000	155,561,621		82,658,813		7,563,706	21,586,726	24,673,000	−1.1	−.7	−.6	+.1	+.4	−3.1
August	300,728,000	155,474,907		82,469,933		7,554,696	21,686,592	25,719,000	+.3	−.1	−.2	−.1	+.5	+4.2
September	304,707,000	155,909,481		83,445,777		7,541,305	21,945,382	27,345,000	+1.3	+.3	+1.2	−.2	+1.2	+6.3
October	307,959,000	157,581,948		83,768,710		7,535,895	22,237,528	28,599,000	+1.1	+1.1	+.4	−.1	+1.3	+4.6
November	308,636,000	157,126,976		84,187,394		7,547,728	22,265,642	28,737,000	+.2	−.3	+.5	+.2	+.1	+.5
December	309,885,000	157,669,195		85,686,971		7,774,967	22,644,000	27,735,000	+.4	+.3	+1.8	+3.0	+1.7	−3.5
1960														
January	312,162,000	159,086,747		86,099,591		7,869,173	22,681,074	28,195,000	+.7	+.9	+.5	+1.2	+.2	+1.7
February	314,333,000	159,283,502		86,626,658		7,807,443	22,827,894	29,135,000	+.7	+.1	+.6	−.8	+.6	+3.3
March	319,363,000	160,462,093		88,149,195		7,829,715	23,266,858	30,566,000	+1.6	+.7	+1.8	+.3	+1.9	+4.9
April	317,938,000	161,108,732		88,486,902		7,806,143	23,483,433	28,361,000	−.4	+.4	+.4	−.3	+.9	−7.2

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

[2] Total exceeds sum of columns because of inclusion of vendor payments for medical care from general assistance funds and from special medical funds; data for such expenditures partly estimated for some States.

[3] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

[4] Excludes Idaho; data not available.

[5] Except for general assistance, data included for Illinois overstated for April and partly estimated for May because of administrative change in the processing of payments. Percentage changes for the special types of public assistance based on data excluding Illinois.

[6] Increase of less than 0.05 percent.

[7] Percentage changes for the special types of public assistance based on data excluding Illinois (data not comparable, see footnote 5).

[8] Decrease of less than 0.05 percent.

TABLE 9.—*Amount of vendor payments for medical care for recipients of public assistance, by program and State, April 1960* [1]

State	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance
Total	$25,271,623	$5,206,314	$654,219	$4,154,337	[2] $8,806,000
Alabama	*523*	*76*	----	*115*	138
Alaska	----	----	----	([3])	[4] 39,551
Arkansas	397,503	26,771	10,837	58,519	----
California	2,624,404	1,005,501	130,980	155,527	111,366
Colorado	990,598	41,068	2,562	15,747	81,431
Connecticut	411,997	222,584	7,890	109,585	([5])
Delaware	----	----	983	----	----
District of Columbia	24,976	1,240	72	12,341	675
Florida	514,004	43,909	12,827	75,986	----
Hawaii	11,071	24,636	494	8,680	----
Idaho	54,100	----	600	4,076	----
Illinois	2,229,120	535,110	66,616	423,798	[4] 942,841
Indiana	518,522	141,859	25,786	([3])	[4] 298,629
Iowa	237,703	72,974	8,814	----	[4] 268,746
Kansas	369,221	98,179	5,846	64,588	76,352
Louisiana	250,990	13,169	4,362	53,235	4,650
Maine	165,018	28,960	2,664	20,780	60,090
Maryland	49,193	82,404	1,167	12,614	----
Massachusetts	3,588,543	200,131	4,535	621,286	179,868
Michigan	425,340	86,088	12,334	29,517	232,176
Minnesota	1,718,872	213,575	31,682	8,859	334,685
Missouri	48,336	9,185	----	6,700	2,302
Montana	1,418	175	482	480	[4] 222,093
Nebraska	357,817	9,217	28,887	39,702	[4] 32,349
Nevada	15,462	----	1,092	([3])	[4] 111,819
New Hampshire	85,147	17,058	3,524	13,779	([5])
New Jersey	651,160	----	----	138,113	185,437
New Mexico	91,688	60,386	1,720	18,977	16,798
New York	2,858,503	1,160,835	112,128	1,198,337	256,113
North Carolina	71,743	36,437	7,837	39,502	[4] 266,128
North Dakota	257,940	35,036	1,387	47,487	[4] 26,892
Ohio	996,892	130	26,113	124,705	[4] 1,665,281
Oklahoma	1,074,432	3,122	22,428	111,420	([5])
Oregon	498,462	33,033	4,115	102,958	58,706
Pennsylvania	192,270	314,811	52,626	102,020	95,084
Rhode Island	94,150	77,164	944	43,185	[4] 66,713
South Carolina	83,135	15,122	2,309	18,524	12,024
South Dakota	----	----	----	----	[4] 140,471
Tennessee	93,423	31,214	839	12,493	----
Utah	71,118	75,278	990	13,800	1,617
Vermont	*62,647*	----	*513*	*5,813*	----
Virgin Islands	286	131	5	107	177
Virginia	119,998	----	5,394	35,741	[4] 16,993
Washington	1,265,381	174,453	14,862	183,279	123,268
West Virginia	96,965	101,918	2,019	29,470	[4] 7,732
Wisconsin	1,566,045	208,726	32,651	187,215	177,706
Wyoming	35,507	4,649	303	5,277	53,903

[1] For the special types of public assistance figures in italics represent payments made without Federal participation. For State programs not shown, no vendor payments were made during the month or such payments were not reported.

[2] Includes an estimated amount for States making vendor payments for medical care from general assistance funds and from special medical funds and reporting these data semiannually but not on a monthly basis.

[3] No program for aid to the permanently and totally disabled.

[4] Includes payments made in behalf of recipients of the special types of public assistance.

[5] Data not available.

TABLE 10.—*Average payment per recipient for all assistance, for money payments, and for vendor payments for medical care, by program and State, April 1960* [1]

State	Old-age assistance			Aid to dependent children (per recipient)			Aid to the blind			Aid to the permanently and totally disabled		
	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]	All assistance [2]	Money payments to recipients [3]	Vendor payments for medical care [2]
All States	$68.11	$58.09	$10.68	$29.22	$27.57	$1.72	$72.42	$66.70	$6.07	$65.54	$54.65	$11.59
Alabama	53.21	53.21	*.01*	9.25	9.25	(4)	38.54	38.54	-----	35.85	35.84	*.01*
Alaska	64.42	64.42	-----	32.49	32.49	-----	71.41	71.41	-----	(5)	(5)	(5)
Arizona	61.67	61.67	-----	29.78	29.78	-----	72.15	72.15	-----	(5)	(5)	(5)
Arkansas	53.83	46.69	7.19	16.31	15.43	.90	57.11	51.76	5.36	39.49	31.30	8.25
California	90.93	81.22	10.27	45.99	42.34	3.77	108.18	99.40	9.53	93.85	79.34	18.03
Colorado	102.35	82.92	19.43	33.53	32.08	1.45	80.30	71.49	8.80	68.98	66.20	2.78
Connecticut	116.65	91.97	27.93	49.64	41.35	8.92	104.30	79.88	26.57	137.80	91.10	49.68
Delaware	49.65	49.65	-----	23.24	23.24	-----	69.88	65.91	3.96	66.25	66.25	-----
District of Columbia	64.66	59.18	8.04	33.52	33.46	.06	69.78	69.47	.32	75.38	72.45	4.52
Florida	57.35	50.32	7.39	16.72	16.27	.46	61.88	57.12	5.08	63.77	56.16	8.40
Georgia	47.29	47.29	-----	23.69	23.69	-----	52.44	52.44	-----	51.80	51.80	-----
Guam	24.66	24.66	-----	13.81	13.81	-----	(6)	(6)	-----	(6)	(6)	-----
Hawaii	63.05	55.44	7.61	33.44	30.88	2.55	69.88	63.70	6.18	76.77	68.45	8.32
Idaho	67.96	60.61	7.39	40.68	40.68	-----	70.90	67.35	3.55	72.07	68.16	3.90
Illinois	73.84	46.56	30.12	39.29	35.70	3.63	82.28	61.59	22.08	82.57	61.04	23.11
Indiana	61.97	44.68	18.63	27.96	25.13	3.36	72.24	59.72	13.91	(5)	(5)	(5)
Iowa	79.75	74.28	6.91	37.56	35.75	2.18	95.54	90.83	6.18	82.12	82.12	-----
Kansas	80.25	68.25	12.92	37.30	33.37	4.15	82.49	73.90	9.69	85.44	71.04	15.34
Kentucky	46.11	46.11	-----	21.53	21.53	-----	44.57	44.57	-----	45.72	45.72	-----
Louisiana	71.66	69.71	2.01	24.02	23.92	.13	81.14	79.76	1.62	56.11	53.01	3.27
Maine	67.76	53.77	14.00	27.53	26.11	1.42	64.40	58.53	6.00	68.51	58.51	10.00
Maryland	61.12	55.90	5.22	29.05	26.83	2.22	65.20	62.59	2.60	65.17	63.13	2.05
Massachusetts	103.11	58.94	45.18	45.33	41.48	4.11	112.15	111.28	2.12	122.43	65.94	60.49
Michigan	72.36	65.46	6.90	36.36	35.45	.91	79.50	72.58	6.92	85.89	79.51	6.38
Minnesota	89.40	54.42	36.53	45.78	39.97	6.18	96.40	68.80	29.66	61.25	58.66	3.73
Mississippi	29.77	29.77	-----	10.62	10.62	-----	38.50	38.50	-----	30.28	30.28	-----
Missouri	59.71	59.36	.42	24.13	24.04	.09	65.00	65.00	-----	61.71	61.35	.44
Montana	63.85	63.64	.20	33.52	33.50	.02	71.54	70.18	1.35	72.38	72.02	.36
Nebraska	70.93	47.62	23.75	29.82	29.03	.85	88.02	55.16	33.63	72.68	50.96	22.18
Nevada	70.74	64.85	5.89	27.01	27.01	-----	101.82	95.82	6.00	(5)	(5)	(5)
New Hampshire	77.83	60.35	17.51	41.61	37.37	4.23	80.24	65.74	14.50	93.17	60.51	32.81
New Jersey	89.76	61.62	34.53	46.36	46.36	-----	85.78	85.78	-----	94.78	76.69	20.89
New Mexico	68.38	59.83	8.55	31.64	29.57	2.07	63.01	58.51	4.50	66.43	58.67	7.76
New York	107.48	76.52	34.58	42.74	38.66	4.38	112.10	85.78	28.66	104.65	74.96	32.63
North Carolina	40.57	39.09	1.48	19.49	19.15	.34	54.10	52.65	1.55	46.23	44.11	2.12
North Dakota	90.09	58.06	35.25	39.65	35.21	5.03	76.67	62.58	14.76	100.73	63.31	41.58
Ohio	74.69	64.84	11.20	29.81	29.81	(4)	69.53	62.29	7.43	71.48	61.04	10.62
Oklahoma	79.88	67.90	11.97	31.65	31.60	.05	97.77	85.73	12.04	89.38	77.31	12.07
Oregon	80.08	53.01	29.20	39.54	38.30	1.55	87.03	72.86	15.24	87.35	68.30	21.12
Pennsylvania	68.26	64.42	3.84	31.89	30.25	1.64	74.11	71.12	2.99	60.89	54.90	5.99
Puerto Rico	8.22	8.22	-----	3.90	3.90	-----	8.20	8.20	-----	8.73	8.73	-----
Rhode Island	78.29	64.34	14.00	36.15	31.40	4.75	75.28	67.28	8.00	83.89	68.94	15.00
South Carolina	40.38	37.86	2.56	14.37	13.98	.40	43.46	42.13	1.36	43.34	40.98	2.39
South Dakota	61.02	61.02	-----	30.04	30.04	-----	61.32	61.32	-----	63.14	63.14	-----
Tennessee	42.91	41.21	1.70	18.86	18.48	.38	46.48	46.18	.30	45.91	44.51	1.40
Texas	52.90	52.90	-----	17.04	17.04	-----	58.17	58.17	-----	54.28	54.28	-----
Utah	73.01	64.02	8.99	40.37	34.38	6.00	73.65	68.67	4.97	75.98	70.08	5.90
Vermont	62.56	51.46	*11.10*	30.58	30.58	-----	62.26	58.54	*3.72*	63.65	56.99	*6.66*
Virgin Islands	23.63	23.20	.51	13.72	13.57	.14	(6)	(6)	(6)	26.58	25.58	1.00
Virginia	43.95	37.94	8.18	20.78	20.78	-----	53.64	50.29	4.37	49.56	45.21	5.75
Washington	82.80	60.45	25.70	45.99	41.66	4.38	90.75	72.63	20.41	92.93	69.05	27.18
West Virginia	39.05	34.09	4.96	24.42	23.16	1.26	40.61	38.64	1.97	41.71	37.71	4.00
Wisconsin	83.06	41.81	44.04	45.93	40.80	6.04	85.53	54.19	33.22	105.11	44.33	63.61
Wyoming	72.65	61.99	10.81	36.17	34.42	1.75	68.04	63.52	4.52	72.82	63.29	9.75

[1] Averages for general assistance not computed because of difference among States in policy or practice regarding use of general assistance funds to pay medical bills for recipients of the special types of public assistance. Figures in italics represent payments made without Federal participation.

[2] Averages based on cases receiving money payments, vendor payments for medical care, or both.

[3] May also include small amounts for assistance in kind and vendor payments for other than medical care. Averages based on number of cases receiving money payments.

[4] Less than 1 cent.

[5] No program for aid to the permanently and totally disabled.

[6] Average payment not computed on base of fewer than 50 recipients.

TABLE 11.—*Old-age assistance: Recipients and payments to recipients, by State, April 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	March 1960 in—		April 1959 in—	
				Number	Amount	Number	Amount
Total [2]	2,365,461	$161,108,732	$68.11	−0.3	+0.4	[3] −2.6	[3] +2.9
Ala	98,679	5,250,759	53.21	−.2	+4.5	−3.1	+18.1
Alaska	1,443	[4] 92,959	64.42	−.1	−.1	−2.2	+4.8
Ariz	13,932	859,163	61.67	−.2	−.4	+.7	+8.6
Ark	55,273	2,975,571	53.83	(5)	+.8	−1.6	+9.5
Calif	255,583	23,240,386	90.93	−.2	+.1	−2.7	+5.3
Colo. [2]	50,985	5,218,132	102.35	−.2	+1.0	−1.2	+4.1
Conn	14,751	1,720,704	116.65	+.9	+10.9	−1.7	+1.4
Del	1,318	65,436	49.65	−.3	−.8	−9.5	−8.7
D. C	3,108	200,969	64.66	−.5	+.2	−4.5	+10.6
Fla	69,596	3,991,482	57.35	−.2	+1.7	−.6	+6.2
Ga	96,610	4,568,705	47.29	−.3	−.3	−1.6	−2.2
Guam	67	1,652	24.66	(6)	(6)	(7)	(7)
Hawaii	1,455	91,733	63.05	−.4	(8)	−3.1	+5.9
Idaho	7,317	497,278	67.96	−.6	−.7	−4.0	+2.0
Ill	73,998	5,464,246	73.84	−.7	(8)	(9)	(9)
Ind	27,835	1,725,050	61.97	−.4	−2.1	−6.4	−.6
Iowa	34,413	2,744,274	79.75	−.5	+3.4	−4.6	+6.1
Kans	28,586	2,294,123	80.25	−.3	+.8	−4.3	−.8
Ky	56,433	2,602,143	46.11	(5)	(5)	−1.2	+5.1
La	124,634	8,931,598	71.66	−.1	−.2	(8)	+8.4
Maine	11,787	798,681	67.76	−.1	+6.3	−1.9	+1.4
Md	9,418	575,634	61.12	−.4	−.1	−2.9	−6.2
Mass	79,434	8,190,587	103.11	−.3	+2.5	−4.1	−1.1
Mich	61,677	4,462,839	72.36	−.5	−.1	−5.6	−3.8
Minn	47,057	4,206,751	89.40	−.6	−1.1	−3.2	+4.1
Miss	79,985	2,381,518	29.77	−.1	−.2	−.9	+1.2
Mo	116,096	6,932,398	59.71	−.5	−.1	−3.3	+3.4
Mont	6,957	444,190	63.85	−.4	−.4	−6.2	−5.6
Nebr	15,065	1,068,581	70.93	−.4	−.7	−4.8	+.1
Nev	2,623	185,551	70.74	−.6	−.2	+.7	+5.8
N. H	4,863	378,493	77.83	−.8	−1.2	−5.4	+4.4
N. J	18,856	1,692,569	89.76	+.1	+.5	−1.4	+1.1
N. Mex	10,725	733,381	68.38	−.1	+1.5	+1.8	+10.2
N. Y	82,664	8,884,942	107.48	−.8	−.1	−4.8	+1.4
N. C	48,475	1,966,516	40.57	−.4	−1.6	−3.8	−.4
N. Dak	7,318	659,284	90.09	+.2	+2.8	−2.1	+8.4
Ohio	89,020	6,649,037	74.69	−.8	−4.3	−1.2	+12.5
Okla	89,739	7,168,032	79.88	−.3	+3.1	−2.4	+2.1
Oreg	17,071	1,367,033	80.08	−.4	−7.3	−5.7	−4.3
Pa	50,007	3,413,517	68.26	−.2	+.2	+.3	+1.3
P. R	39,411	323,901	8.22	−.2	−.1	−2.8	−2.2
R. I	6,725	526,508	78.29	−.1	+.1	−3.9	+1.9
S. C	32,477	1,311,512	40.38	−.6	+.7	−5.1	+.9
S. Dak	8,921	544,337	61.02	−.5	−.3	−4.4	+.8
Tenn	54,955	2,358,148	42.91	−.5	+2.1	−3.2	−5.0
Tex	221,666	11,725,594	52.90	(8)	−.1	−.9	+.7
Utah	7,907	577,296	73.01	−.1	+8.5	−5.0	+4.4
Vt	5,646	353,192	62.56	−.6	+.6	−4.3	+5.2
V. I	564	13,326	23.63	+.5	+.8	−5.1	−4.4
Va	14,677	645,074	43.95	−.5	−.1	−3.8	+3.6
Wash	49,246	4,077,353	82.80	−.8	−1.4	−7.2	−13.3
W. Va	19,566	764,022	39.05	−.6	+4.9	−5.5	+7.8
Wis	35,563	2,953,973	83.06	−.5	−.2	−4.2	+1.2
Wyo	3,284	238,599	72.65	−1.3	+.5	−7.0	−5.8

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.
[2] Includes 3,735 recipients aged 60–64 in Colorado and payments of $335,479 to these recipients. Such payments were made without Federal participation.
[3] Based on totals excluding data for Illinois. See footnote 9.
[4] In addition, supplemental payments of $18,501 from general assistance funds were made to 68 recipients.
[5] Increase of less than 0.05 percent.
[6] Percentage change not computed on base of fewer than 100 recipients.
[7] Program initiated July 1959 under the Social Security Amendments of 1958.
[8] Decrease of less than 0.05 percent.
[9] Not computed; data overstated for April 1959 because of administrative change in processing of payments.

TABLE 12.—*Aid to the blind: Recipients and payments to recipients, by State, April 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	March 1960 in—		April 1959 in—	
				Number	Amount	Number	Amount
Total [2]	107,787	$7,806,143	$72.42	−0.4	−0.3	[3] −1.5	[3] +4.0
Ala	1,608	61,971	38.54	−1.2	+.4	−2.5	+7.1
Alaska	104	7,427	71.41	+1.0	+.7	(4)	(4)
Ariz	838	60,464	72.15	+.4	−.2	+3.2	+9.9
Ark	2,023	115,541	57.11	+.3	−.5	−.6	+6.4
Calif. [2]	13,747	1,487,175	108.18	−.4	+.2	−2.6	+1.9
Colo	291	23,367	80.30	0	+3.5	−7.9	−4.8
Conn	297	30,976	104.30	+1.0	+5.9	−4.8	−11.0
Del	248	17,329	69.88	+.8	−.6	−8.8	−10.3
D. C	227	15,841	69.78	−3.0	−2.3	−4.2	+15.8
Fla	2,526	156,315	61.88	−.2	+2.7	−.5	+5.1
Ga	3,546	185,941	52.44	+.3	+.5	+.1	−.1
Guam	4	76	(4)	(4)	(4)	(5)	(5)
Hawaii	80	5,590	69.88	(4)	(4)	(4)	(4)
Idaho	169	11,982	70.90	−1.7	−2.3	−2.3	+.1
Ill	3,017	248,242	82.28	−.5	+.1	(6)	(6)
Ind	1,854	133,935	72.24	−.1	−.5	−3.8	−3.4
Iowa	1,427	136,336	95.54	+.2	+3.5	−2.1	+7.9
Kans	603	49,741	82.49	+.7	−.2	−2.0	−1.8
Ky	2,476	110,355	44.57	−5.2	−5.4	−22.6	−21.6
La	2,693	218,515	81.14	(7)	+.1	+4.0	+10.9
Maine	444	28,593	64.40	−.4	−.7	−4.3	−11.0
Md	448	29,209	65.20	−.7	−.2	+1.6	+2.8
Mass	2,141	240,120	112.15	−1.6	−10.5	+.9	−2.0
Mich	1,783	141,752	79.50	+.3	+.3	−2.4	+1.9
Minn	1,068	102,960	96.40	−1.1	−3.7	−4.5	−1.4
Miss	6,349	244,440	38.50	−.2	−.2	+8.4	+8.6
Mo. [2]	5,101	331,565	65.00	−.5	−.5	−1.4	−1.4
Mont	356	25,467	71.54	−1.7	−2.8	−4.6	−5.6
Nebr	859	75,605	88.02	−.9	−.6	−8.4	−3.2
Nev	182	18,532	101.82	−.5	+4.4	+7.7	+14.1
N. H	243	19,498	80.24	+.4	−1.5	−.4	+8.2
N. J	936	80,287	85.78	−.7	+.2	+1.0	+5.2
N. Mex	382	24,069	63.01	−.5	+2.0	−1.5	−2.6
N. Y	3,912	438,530	112.10	−.3	+.6	−3.8	+.8
N. C	5,068	274,184	54.10	−.6	−1.1	+.1	+4.9
N. Dak	94	7,207	76.67	(4)	(4)	(4)	(4)
Ohio	3,515	244,394	69.53	(7)	−1.2	−5.1	+1.6
Okla	1,863	182,146	97.77	−.2	+2.7	−1.1	+2.6
Oreg	270	23,497	87.03	+.4	−.7	−3.9	+2.0
Pa. [2]	17,575	1,302,549	74.11	(8)	+.3	(7)	+19.4
P. R	1,890	15,491	8.20	−.4	−.5	+2.9	+3.2
R. I	118	8,883	75.28	−.8	−.7	−7.1	−6.1
S. C	1,700	73,890	43.46	+.1	−.1	−2.4	+.7
S. Dak	166	10,179	61.32	+3.1	+4.4	−2.4	+4.0
Tenn	2,798	130,054	46.48	+.1	+.5	−3.1	−5.7
Tex	6,355	369,656	58.17	−.2	−.1	−.8	+1.3
Utah	199	14,656	73.65	+1.0	−.3	−5.7	−1.2
Vt	138	8,592	62.26	+3.0	+4.1	0	+5.6
V. I	19	496	(4)	(4)	(4)	(4)	(4)
Va	1,234	66,195	53.64	+1.2	+1.5	+.7	+17.9
Wash	728	66,067	90.75	−.4	−1.1	−3.2	−12.2
W. Va	1,025	41,629	40.61	+.3	−1.2	−3.4	−1.3
Wis	983	84,073	85.53	−7.3	+.7	−3.4	+2.9
Wyo	67	4,559	68.04	(4)	(4)	(4)	(4)

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.
[2] Data include recipients of payments made without Federal participation and payments to these recipients as follows: California, $38,449 to 318 recipients; Missouri, $52,340 to 803 recipients; and Pennsylvania, $781,868 to 11,203 recipients.
[3] Based on totals excluding data for Illinois. See footnote 6.
[4] Average payment not computed on base of fewer than 50 recipients; percentage change, on fewer than 100 recipients.
[5] Program initiated July 1959 under the Social Security Amendments of 1958.
[6] Not computed; data overstated for April 1959 because of administrative change in the processing of payments.
[7] Decrease of less than 0.05 percent.
[8] Increase of less than 0.05 percent.

TABLE 13.—*Aid to dependent children: Recipients and payments to recipients, by State, April 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
					Average per—		March 1960 in—		April 1959 in—	
		Total [2]	Children	Total amount	Family	Recipient	Number of recipients	Amount	Number of recipients	Amount
Total	796,361	3,027,984	2,332,155	$88,486,902	$111.11	$29.22	+0.5	+0.4	[3] +2.8	[3] +4.9
Alabama	21,482	85,998	67,252	795,586	37.04	9.25	−.2	+1.5	−5.5	+24.3
Alaska	1,246	4,307	3,229	139,915	112.29	32.49	+.4	+.1	+4.2	+17.6
Arizona	7,310	28,928	22,334	861,433	117.84	29.78	+1.2	+.9	+14.6	+21.6
Arkansas	7,845	29,891	23,433	487,609	62.16	16.31	+1.7	+1.9	−5.8	−2.3
California	74,918	266,394	208,539	12,251,057	163.53	45.99	+1.0	+.1	+4.5	+4.0
Colorado	7,330	28,355	22,224	950,798	129.71	33.53	+.7	+1.1	+3.4	+6.6
Connecticut	7,465	24,949	18,738	1,238,444	165.90	49.64	+.2	+6.5	+4.9	+7.1
Delaware	1,726	6,482	5,001	150,666	87.29	23.24	+.4	+1.0	−1.1	−2.7
District of Columbia	4,433	19,795	15,672	663,502	149.67	33.52	+1.3	+1.3	+18.8	+40.7
Florida	25,883	94,659	73,962	1,582,826	61.15	16.72	−.8	+.1	−5.8	−2.7
Georgia	15,903	59,334	45,877	1,405,803	88.40	23.69	+1.1	+1.0	−3.5	−4.0
Guam	91	525	440	7,251	79.68	13.81	+5.2	+16.4	(4)	(4)
Hawaii	2,472	9,644	7,652	322,475	130.45	33.44	−1.6	−2.6	−5.7	−8.3
Idaho	2,156	7,958	5,862	323,764	150.17	40.68	+1.1	+.9	+10.6	+11.4
Illinois	35,319	147,308	113,947	5,787,559	163.87	39.29	+1.1	+1.6	(5)	(5)
Indiana	11,504	42,237	31,911	1,181,140	102.67	27.96	+.8	+.8	+1.7	+1.8
Iowa	9,018	33,437	25,163	1,255,764	139.25	37.56	+1.2	+2.0	+4.3	+8.3
Kansas	6,197	23,639	18,563	881,784	142.29	37.30	+.7	+3.1	+6.4	+10.4
Kentucky	20,525	73,522	55,248	1,583,209	77.14	21.53	(6)	(6)	−3.1	+3.9
Louisiana	25,080	102,966	79,960	2,473,066	98.61	24.02	−.4	−.7	+4.3	+13.9
Maine	5,792	20,436	15,096	562,577	97.13	27.53	−.3	−.2	+4.0	+4.7
Maryland	8,926	37,187	29,155	1,080,139	121.01	29.05	−1.8	−1.9	+6.3	+10.2
Massachusetts	14,460	48,696	36,510	2,207,527	152.66	45.33	+.8	+.3	+.2	−1.0
Michigan	26,540	94,694	69,627	3,442,930	129.73	36.36	+1.0	+.8	−2.3	−6.9
Minnesota	10,047	34,577	26,902	1,582,799	157.54	45.78	+.9	−.3	+5.5	+9.6
Mississippi	19,795	76,727	60,174	815,186	41.18	10.62	+1.0	+.7	+8.5	+9.1
Missouri	26,776	101,814	77,170	2,456,396	91.74	24.13	+1.1	+1.3	+3.8	+4.6
Montana	1,924	7,171	5,622	240,374	124.93	33.52	+.6	+.5	+3.6	+4.4
Nebraska	2,851	10,876	8,334	324,327	113.76	29.82	−.5	−.7	+1.3	+7.7
Nevada	1,129	3,775	2,937	101,969	90.32	27.01	−.3	+.4	+12.3	+12.2
New Hampshire	1,054	4,028	3,040	167,602	159.02	41.61	+1.0	+.4	−5.3	−4.4
New Jersey	13,934	48,233	36,523	2,235,878	160.46	46.36	+2.7	+4.6	+34.3	+34.9
New Mexico	7,535	29,214	22,472	924,386	122.68	31.64	+1.0	+4.6	+6.4	+8.4
New York	67,152	265,002	200,345	11,326,391	168.67	42.74	−.5	−.9	+1.2	+2.4
North Carolina	26,928	107,167	82,786	2,089,111	77.58	19.49	+.6	−.5	+.6	+3.6
North Dakota	1,843	6,968	5,426	276,256	149.89	39.65	−.1	+1.0	+6.7	+9.4
Ohio	25,782	102,447	78,256	3,054,044	118.46	29.81	+1.4	−4.8	+8.7	+12.4
Oklahoma	17,914	63,377	48,140	2,006,062	111.98	31.65	+.6	+.6	+5.7	+5.7
Oregon	5,938	21,262	16,074	840,795	141.60	39.54	+1.4	−1.1	−6.0	−5.4
Pennsylvania	48,726	192,383	146,451	6,134,991	125.91	31.89	−.2	+.8	+7.3	+12.4
Puerto Rico	55,909	212,628	170,612	829,170	14.83	3.90	+.8	+.5	+15.2	+9.6
Rhode Island	4,437	16,245	12,265	587,250	132.35	36.15	+.3	−.1	−1.1	+.7
South Carolina	9,561	38,124	30,076	547,952	57.31	14.37	+.4	−.2	−2.0	+.5
South Dakota	3,143	10,884	8,173	326,932	104.02	30.04	−.3	−10.9	+.8	+5.7
Tennessee	22,296	82,460	62,304	1,555,112	69.75	18.86	+1.0	+2.8	+2.4	+1.1
Texas	20,915	86,831	66,264	1,479,642	70.75	17.04	−.7	−.5	−17.7	−18.0
Utah	3,490	12,551	9,375	506,726	145.19	40.37	−1.3	+7.0	−.3	+9.7
Vermont	1,255	4,459	3,344	136,362	108.65	30.58	+.6	+1.5	−.4	−.4
Virgin Islands	263	908	758	12,454	47.35	13.72	+7.7	+4.3	+19.3	+35.8
Virginia	9,674	38,777	30,516	805,952	83.31	20.78	+1.3	+1.2	+3.1	+5.3
Washington	11,637	39,815	31,071	1,831,067	157.35	45.90	+1.5	+1.6	−6.8	−6.0
West Virginia	20,698	80,700	62,965	1,970,611	95.21	24.42	+.7	+.8	+2.1	+9.8
Wisconsin	9,387	34,578	26,355	1,588,006	169.17	45.93	+1.5	−.3	+3.3	+4.7
Wyoming	747	2,662	2,030	96,275	128.88	36.17	−.7	−2.5	−3.3	−8.2

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

[2] Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

[3] Based on totals excluding data for Illinois. See footnote 5.

[4] Program initiated July 1959 under the Social Security Amendments of 1958.

[5] Not computed; data overstated for April 1959 because of administrative change in processing of payments.

[6] Increase of less than 0.05 percent.

TABLE 14.—*Aid to the permanently and totally disabled: Recipients and payments to recipients, by State, April 1960* [1]

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	March 1960 in—		April 1959 in—	
				Number	Amount	Number	Amount
Total	358,299	$23,483,433	$65.54	+0.6	+0.9	[2] +7.3	[2] +11.0
Ala	12,227	438,361	35.85	−.5	(3)	−3.9	+4.2
Ark	7,095	280,217	39.49	+.5	+1.6	+1.3	+10.0
Calif	8,627	809,640	93.85	+3.3	+3.8	+49.2	+59.6
Colo	5,663	390,648	68.98	+.7	+1.4	+1.3	+6.3
Conn	2,206	303,982	137.80	−.5	+5.4	+2.4	+6.1
Del	370	24,514	66.25	−.5	−.9	+14.2	+15.6
D. C	2,731	205,851	75.38	+.9	+1.3	+6.3	+25.4
Fla	9,042	576,583	63.77	+.7	+1.4	+14.7	+23.6
Ga	21,045	1,090,089	51.80	+.8	+.8	+16.3	+15.9
Guam	42	969	(4)	(4)	(4)	(5)	(5)
Hawaii	1,043	80,076	76.77	−.5	−1.3	−3.4	+3.7
Idaho	1,044	75,240	72.07	−.7	−.4	+7.5	+10.7
Ill	18,339	1,514,224	82.57	+.3	+.7	(6)	(6)
Iowa	256	21,024	82.12	+48.0	+47.7	(7)	(7)
Kans	4,210	359,703	85.44	−.5	+2.0	−.6	+3.7
Ky	7,769	355,197	45.72	(8)	+.1	−2.8	+.8
La	16,280	913,426	56.11	+.1	+.1	+7.5	+12.2
Maine	2,078	142,365	68.51	+.4	+15.8	+16.0	+12.1
Md	6,168	401,992	65.17	+.7	+.7	+15.2	+18.0
Mass	10,271	1,257,524	122.43	+1.3	+2.0	+1.7	+6.6
Mich	4,627	397,428	85.89	+1.2	+1.0	+12.8	+13.4
Minn	2,378	145,650	61.25	+1.4	+1.1	+10.1	+10.5
Miss	11,166	338,143	30.28	+2.3	+2.4	+37.3	+41.2
Mo	15,386	949,478	61.71	+.1	+.5	−.1	+6.4
Mont	1,333	96,484	72.38	−2.0	−1.2	−10.4	−8.3
Nebr	1,790	130,102	72.68	+.9	−2.3	+15.5	+17.3
N. H	420	39,132	93.17	+1.2	+1.0	+7.4	+15.1
N. J	6,610	626,490	94.78	+1.4	+2.8	+13.5	+13.0
N. Mex	2,445	162,424	66.43	+.4	+2.0	+11.5	+7.3
N. Y	36,727	3,843,568	104.65	−.4	+.2	−4.7	−.1
N. C	18,633	861,378	46.23	+.5	−1.9	+5.5	+7.5
N. Dak	1,142	115,037	100.73	+.3	+6.8	+8.7	+20.1
Ohio	11,738	839,085	71.48	+1.0	−1.5	+13.4	+19.1
Okla	9,232	825,144	89.38	−.1	+2.7	+3.9	+8.7
Oreg	4,875	425,834	87.35	−.5	−8.8	−5.8	−2.6
Pa	17,027	1,036,768	60.89	+1.7	+2.3	+8.4	+11.9
P. R	22,398	195,585	8.73	(8)	+.2	+5.6	+4.4
R. I	2,879	241,528	83.89	+.9	+1.0	+10.1	+14.0
S. C	7,765	336,533	43.34	+.2	−.7	−1.8	+22.2
S. Dak	1,148	72,484	63.14	+1.2	+1.2	+6.0	+10.0
Tenn	8,924	409,736	45.91	+1.3	+2.2	+19.5	+15.0
Tex	6,030	327,328	54.28	+2.1	+2.3	+26.2	+30.2
Utah	2,340	177,789	75.98	+.8	+1.8	+8.6	+14.7
Vt	873	55,565	63.65	+.6	+1.0	+9.1	+16.1
V. I	107	2,844	26.58	−1.8	−1.0	+4.9	+9.6
Va	6,211	307,791	49.56	+.5	+1.1	+3.0	+9.3
Wash	6,744	626,719	92.93	+.5	(3)	+11.0	−.1
W. Va	7,361	307,033	41.71	+.1	+.4	−.9	+15.7
Wis	2,943	309,335	105.11	+7.0	+7.3	+124.8	+104.5
Wyo	541	39,393	72.82	+.2	−.2	+1.7	−2.8

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

[2] Based on totals excluding data for Illinois. See footnote 6.

[3] Increase of less than 0.05 percent.

[4] Average payment not computed on base of fewer than 50 recipients; percentage change, on fewer than 100 recipients.

[5] Program initiated July 1959 under the Social Security Amendments of 1958.

[6] Not computed; data for April 1959 overstated because of administrative change in the processing of payments.

[7] Program initiated January 1, 1960.

[8] Decrease of less than 0.05 percent.

TABLE 15.—*General assistance: Cases and payments to cases, by State, April 1960* [1]

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	March 1960 in—		April 1959 in—	
				Number	Amount	Number	Amount
Total [2]	410,000	$28,361,000	$69.09	−5.8	−7.2	−8.7	−7.8
Ala	82	1,078	13.15	(3)	(3)	−29.3	−26.8
Alaska	213	12,091	56.77	+2.4	−8.6	−12.0	−18.7
Ariz	3,397	165,730	48.79	−1.7	+5.4	+11.6	+26.2
Ark	327	4,603	14.08	−33.0	−29.9	−14.8	−8.3
Calif	35,466	2,112,972	59.58	−15.6	−9.1	−7.2	−1.8
Colo	1,875	82,499	44.00	−25.3	−35.1	+1.5	−1.6
Conn	[4] 5,091	[4] 375,833	73.82	+.2	−1.5	−5.5	−.9
Del	1,798	123,223	68.53	−9.4	−7.0	−10.1	−8.4
D. C	1,442	105,573	73.21	−4.0	−4.6	−1.1	+15.5
Fla. [5]	10,000	322,000	------	------	------	------	------
Ga	2,290	58,171	25.40	−6.0	−8.7	+7.2	+9.9
Guam	2	92	(3)	(3)	(3)	(6)	(6)
Hawaii	1,122	84,125	74.98	−1.3	−1.8	−18.8	−20.3
Ill	47,895	4,478,250	93.50	−4.5	−4.7	−6.2	+.5
Ind. [7]	18,882	685,361	36.30	−6.9	−17.8	−24.9	−20.7
Iowa	4,505	178,934	39.72	−13.5	−19.9	+6.8	+9.8
Kans	2,776	188,475	67.89	−12.3	−15.0	+21.3	+27.5
Ky	2,372	78,095	32.92	−15.6	−6.9	−5.9	+6.2
La	8,719	444,017	50.93	−.2	−.5	−9.1	−3.9
Maine	3,041	127,437	41.91	−7.0	−12.7	−14.9	−18.1
Md	3,113	200,729	64.48	−6.2	−6.1	−11.4	−8.0
Mass	8,583	607,747	70.81	−5.3	−12.0	−16.5	−15.3
Mich	31,944	3,003,293	94.02	−3.8	−9.4	−29.7	−34.2
Minn	9,839	767,516	78.01	−5.1	−9.7	−1.7	+1.2
Miss	1,112	16,300	14.66	−.5	−1.7	+11.5	+16.1
Mo	8,997	536,150	59.59	−.3	−.8	+7.8	+.2
Mont	2,042	75,523	36.98	−11.4	−21.7	+41.4	+16.2
Nebr	1,277	59,671	46.73	−10.4	−8.7	−7.3	−3.3
Nev	253	10,315	40.77	−32.0	−20.0	(8)	(8)
N. H	1,009	52,650	52.18	−5.0	−13.0	−15.0	−19.5
N. J. [7]	10,039	1,017,198	101.32	−9.1	−11.4	−21.1	−21.8
N. Mex	614	27,609	44.97	+1.7	+5.7	+6.2	+15.6
N. Y	[9] 39,540	3,752,960	94.92	−3.3	−5.1	−7.1	−6.1
N. C	2,484	57,025	22.96	−21.4	−25.5	+9.0	+6.0
N. Dak	718	37,822	52.68	−18.9	−31.6	+15.6	+14.3
Ohio	36,976	2,758,451	74.60	−3.5	−8.0	−10.3	−10.1
Okla	7,688	104,211	13.56	−4.4	−7.4	+.7	+4.6
Oreg	6,218	426,264	68.55	+3.9	−6.3	+3.6	+41.2
Pa	41,781	3,130,355	74.92	−2.8	−1.4	+10.3	+16.5
P. R	1,721	19,061	11.08	−2.8	−5.8	+23.8	+89.9
R. I	2,960	209,309	70.71	−7.7	−7.2	−23.9	−22.5
S. C	1,533	46,584	30.39	−3.2	−.6	+14.8	+51.9
S. Dak	524	20,861	39.81	−3.1	+3.0	−5.6	+9.4
Tenn	2,259	38,245	16.93	−11.0	−16.0	−10.1	−3.6
Tex. [10]	8,800	283,000	------	------	------	------	------
Utah	2,047	137,973	67.40	−19.6	−32.2	−6.5	−10.0
Vt. [10]	1,400	53,000	------	------	------	------	------
V. I	101	2,350	23.27	(3)	(3)	−15.8	−15.7
Va	2,774	115,035	41.47	+6.7	+4.5	+21.1	+20.4
Wash	11,500	817,406	71.08	−13.7	−18.9	−22.1	−21.9
W. Va	2,391	76,158	31.85	−.6	−.9	−14.5	−18.9
Wis	8,486	743,532	87.62	−2.3	−1.9	−15.6	−12.6
Wyo	457	27,997	61.26	−29.9	−35.3	−27.3	−32.7

[1] For definition of terms see the *Bulletin*, October 1957, p. 18. All data subject to revision.

[2] Partly estimated; does not represent sum of State figures because total excludes for Indiana and New Jersey an estimated number of cases receiving medical care, hospitalization, and burial only and payments for these services. Excludes Idaho; data not available.

[3] Average payment not computed on base of fewer than 50 cases; percentage change, on fewer than 100 cases.

[4] About 9 percent of this total is estimated.

[5] Partly estimated.

[6] Program initiated July 1959.

[7] Includes an unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

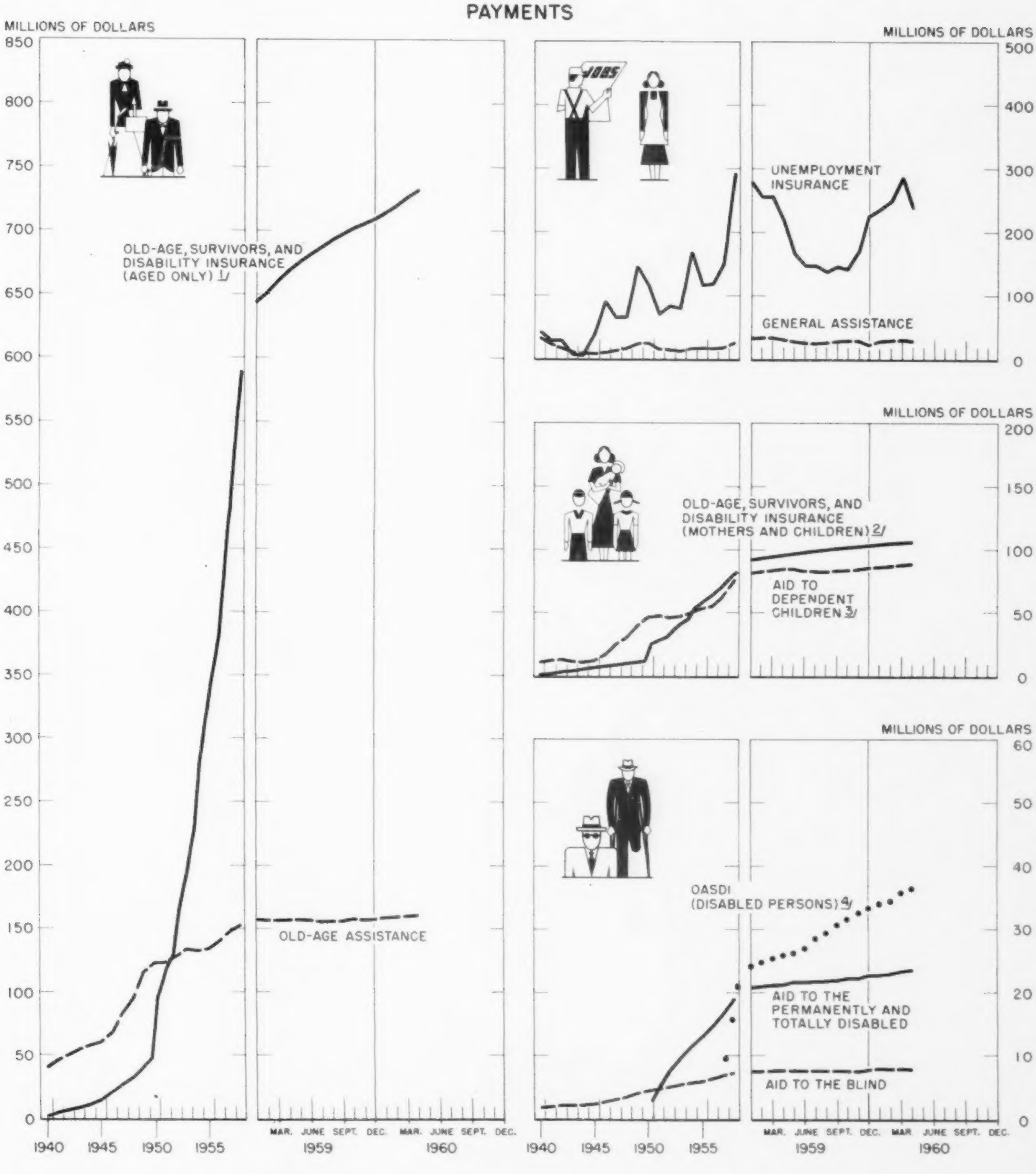
[8] Not computed; data not comparable.

[9] Includes cases receiving medical care only.

[10] Estimated on basis of reports from sample of local jurisdictions.

Social Security Operations*

PAYMENTS



* Old-age, survivors, and disability insurance: benefits paid during month (current-payment status); annual data represent average monthly total. Public assistance: payments during month under all State programs; annual data represent average monthly total. Unemployment insurance: gross benefits paid during month under all State laws; annual data represent average monthly total.

1 Receiving old-age, wife's or husband's, widow's or widower's, or parent's benefit.

2 Receiving mother's benefit, wife's benefit payable to young wives with child beneficiaries in their care, or child's benefit payable to children under age 18.

3 Children plus 1 adult per family when adults are included in assistance group; before October 1950 partly estimated.

4 Disabled workers aged 50–64 or disabled dependent children aged 18 or over of retired, disabled, or deceased workers.

NOTE: Data for payments and data for individuals receiving payments appear in alternate months.

UNITED STATES
GOVERNMENT PRINTING OFFICE
DIVISION OF PUBLIC DOCUMENTS
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(GPO)

Silver Anniversary Issue

The SOCIAL SECURITY BULLETIN for August 1960 is a special issue commemorating the twenty-fifth anniversary of the Social Security Act. The Secretary of Health, Education, and Welfare contributes a brief statement, and the Commissioner of Social Security looks at past progress in social security and outlines the challenges of the future. Other articles include reviews of program developments under the Social Security Act and a survey of the general social security status of the American population.

Copies of the August issue may be purchased from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Single copies are 55 cents.